

5
352.078105
1249
Vol. 4, No. 6

PLEASE RETURN

MONTANA STATE LIBRARY
930 East Lyndale Avenue
Helena, Montana 59601

**Financial Recommendations
of the State Commission
on Local Government**

STATE DOCUMENTS

AUG 4 '77

by Stephen Turkiewicz

State Commission on Local Government

May 1977

MSU MAY 2 '79

MSL APR 28 '82

FEB 5 1986

Montana State Library



3 0864 1004 7648 3

LOCAL GOVERNMENT REVIEW **BULLETIN**

Vol. 4, No. 6

May, 1977

FINANCIAL RECOMMENDATIONS OF THE
STATE COMMISSION ON LOCAL GOVERNMENT

Stephen Turkiewicz

STATE COMMISSION ON LOCAL GOVERNMENT

COMMISSION MEMBERS

Harold E. Gerke, *Chairman*
State Representative
Billings

Harold A. Fryslie, *Vice-Chairman*
Former City Manager
Bozeman

Thomas Payne
Professor of Political Science
University of Montana
Missoula

Glen L. Drake
State Senator
Helena

Carroll V. South
State Representative
Miles City

Ray M. Lynch
Mayor
Dillon

C. R. Thiessen
State Senator
Lambert

John Nesbo
Toole County Commissioner

Mel Wollan
Flathead County Commissioner

STAFF MEMBERS

Dale A. Harris
Director

David E. Wanzenried
Deputy Director

SERVICES STAFF

Agricultural Services
Carol Ferguson

Finance
Stephen Turkiewicz

Community Development
Jim Boyer

Health Services
Beth Richter

Community Services
Bruce Midgett

Human Services
Opal Winebrenner

Elections
Clyde Peterson

Public Works
Jim Boyer

Emergency Services
Lee Heiman, Jr.

Transportation
E. J. Bowlds

PREFACE

The 1974 Act creating the State Commission on Local Government provides: "The Commission shall make a detailed and thorough study of local government structure, powers, services, finance and state-local relations. The Commission shall prepare a revised code of local government law based on its studies and may make other recommendations for the improvement of local government."

To ensure a thorough consideration of local government finances the Commission conducted a study of local government finances, revised the laws regulating local government finance and finance administration in a manner consistent with accepted and prudent principles of governmental accounting and has conducted studies recommending state financing of certain services now financed by local governments and, finally, has recommended a state aid program.

In the course of this study, the Staff issued reports dealing with the many facets of local government finance. The subjects for these reports included the compilation and analysis of local government finance data, the collection and examination of present state statutes, the possible application of various alternative methods of supplementing the property tax with other revenue sources and other subjects dealing with local government finance and finance administration.

The reports were designed not only to provide the Staff's findings concerning the present status of local government finance in Montana, but also to provide local governments, the state executive and legislative branches and the public in general, an opportunity to review and comment on the direction of the Commission's work. A list of these staff finance reports is included in Appendix B.

This final finance report contains an analysis of supplementary sources of revenue for Montana local governments recommended by the Commission on Local Government. These recommendations were presented to the 1977 Legislature. They were intended as a comprehensive, responsible set of recommendations to redress the balance between state and local government financial responsibilities and fiscal capacity. While the recommendations were not adopted by the 1977 Legislature, the issues discussed and the recommendations will continue to be of interest to state and local officials and the citizens of Montana who are ultimately responsible for the financing of public services.

Stephen Turkiewicz, as finance project director, was principally responsible for the preparation of this report and the development of the Commission's financial recommendations. Mr. Turkiewicz's knowledge, analytical ability and diligence facilitated the Commission's consideration of local government finances.

I would like to especially thank Mary Lee Schneider for her invaluable assistance in compiling this report. Special credit is also deserved by Opal Winebrenner, Beth Richter, Clyde Peterson, David Wanzonried, James Boyer, and Lee Heiman for their contributions to this report.

DALE A. HARRIS
DIRECTOR

TABLE OF CONTENTS

	<u>Page</u>
PREFACE	iii
INTRODUCTION AND SUMMARY OF RECOMMENDATIONS	1
ALL-PURPOSE MILL LEVY	9
LOCAL OPTION TAXES	23
INCOME TAX	25
HOTEL-MOTEL TAX	28
FUELS TAX	29
MOTOR VEHICLE LICENSE PLATE FEE	36
STATE AID TO LOCAL GOVERNMENT	43
STATE REVENUE SHARING PROGRAM	45
STATE ASSUMPTION OF ECONOMIC ASSISTANCE AND SOCIAL SERVICE PROGRAMS	66
STATE ASSUMPTION OF COSTS FOR DISTRICT COURT OPERATIONS	77
STATE FINANCING OF COUNTY ATTORNEY'S OFFICES	87
STATE FINANCING OF LOCAL PUBLIC HEALTH SERVICES	95
PERMIT COUNTIES TO RETAIN LICENSE FEES COLLECTED BY COUNTIES	105
NEW STATE PROGRAMS FOR LOCAL GOVERNMENTS	109
STATE FINANCING OF TECHNICAL ASSISTANCE FOUNDATION FOR LOCAL GOVERNMENT	111
CREATION OF AN ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS	133

TABLE OF CONTENTS (Continued)

	<u>Page</u>
APPENDIX A: LEGISLATION INTRODUCED IN THE MONTANA LEGISLATURE	153
EXHIBIT 1 HB 122 FINANCIAL RECOMMENDATIONS . .	155
EXHIBIT 2 HB 233 TECHNICAL ASSISTANCE	165
EXHIBIT 3 HB 287 STATE ACIR	167
EXHIBIT 4 HB 521 STATE-LOCAL REVENUE SHARING .	171
EXHIBIT 5 HB 676 STATE ASSUMPTION OF WELFARE .	173
EXHIBIT 6 HB 532 STATE FUNDING OF DISTRICT COURT COSTS	177
EXHIBIT 7 HB 294 REVISION OF LOCAL PUBLIC HEALTH LAWS	191
EXHIBIT 8 HB 503 FINANCIAL AID FOR LOCAL HEALTH DEPARTMENTS	205
EXHIBIT 9 HB 505 FINANCIAL AID FOR STATE LABORATORY	207
EXHIBIT 10 HB 671 FINANCIAL AID FOR LOCAL HEALTH DEPARTMENTS	209
APPENDIX B: PUBLICATIONS OF THE STATE COMMISSION ON LOCAL GOVERNMENT RELATING TO FINANCE	211
FINANCE REPORTS	211
MISCELLANEOUS PUBLICATIONS	211
LOCAL GOVERNMENT REVIEW BULLETINS	212

INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

INTRODUCTION

There is no question that every man and woman in Montana is concerned about the growing burden of property taxes, but they have also been concerned about air pollution and water pollution control, police and fire protection and other services which result in increased expenditures by local governments.

Aware and informed taxpayers expect and deserve high quality and efficient governmental performance. Both state and local governments must make tax dollars work harder. Executive reorganization of state government has permitted state tax dollars to be spent more effectively and local government reform will improve the utilization of local tax dollars. But it is equally important to determine whether the property tax should continue to be virtually the only source of tax revenue for local governments or whether it should be supplemented by other sources of state or local revenue.

The 1960's saw the widespread acceptance in other states of the principle that the state should assume a larger portion of the costs of schools and local governments. This trend was in response to the sharply rising property tax and was an attempt to make state and local tax systems more progressive by reducing their dependence on the property tax.

Local government expenditures in Montana are increasing rapidly -- as they are nationally. In fiscal year 1971, the direct general expenditures of local governments -- excluding schools -- exceeded \$100 million. In fiscal year 1975 that figure rose to \$188.6 million. Under the current system, such increases in local government expenditures resulted in increased property taxes. The primary and in most cases the only, taxing power which Montana local governments have is that of taxing real and personal property. At the local level, property taxes supply approximately 95% of the total tax revenues and about 64% of the total revenues raised locally -- well above the national average of 36.5% in fiscal year 1975.

As with other authority under the 1889 Constitution, local governments in Montana had only that authority to tax which was granted to them by the Legislature. Under the 1972 Constitution, local governments retaining granted powers will still have only that authority to tax which is granted to them by the Legislature. But local governments adopting a self-government form, acquiring shared or residual powers, will have all taxing authority not denied them by state law. The state must devise a coordinated tax structure for all local governments, including both those with granted powers and those with shared or residual powers.

Since the state creates local governments and determines their share of the governing role, it is the state's responsibility to match local government's financial resources to their legal responsibilities. It is also the state's responsibility to coordinate local taxation with state tax policy.

The extraordinary importance of the property tax to local governments in Montana is traceable to the limited state financial aid programs for local governments and to the lack of authority to use significant non-property taxes, such as the local income tax.

In fiscal year 1975, state aid to local governments in Montana accounted for only 17.3% of total local government revenues as compared to 30% nationally. In fact, the federal government provides \$7.6 million more revenue to Montana's local governments than the state. This situation is not healthy in view of the constant changes made in federal priorities.

Another important source of local government revenue in some states is a local income tax. Local income taxes are used in at least nine states; four states authorize local payroll taxes.

Less than 5% of Montana's tax revenues come from non-property taxes; the national average is 12.6%. Business license taxes are the principal source of non-property taxes for Montana's local governments. But even then counties must share one-half of the proceeds from its business license taxes with the state. This brings into the state's coffers a little over \$33,000.

The most important decisions to be made about local government finances involve the property tax -- what roles should it play in financing local governments -- should it continue to be virtually the only source of tax revenue for local governments -- should it be supplemented with other sources of state revenue or local revenue?

The 1889 Constitution limited the state's ability to provide state financial aid to local governments. The new Constitution does not prohibit such aid, and careful consideration of the alternative of increased state financial aid to local governments to reduce their dependence on the property tax is now appropriate. Other alternatives, including state assumption of financial responsibility of certain activities now financed by local government and authorization of option taxes for local government should now be considered.

Clearly it is time for the state carefully to review and reform local government finance with the goal of matching local government financial resources with local government legal authority. Only the state has the legal authority and financial resources to initiate reform of local government finance.

Reform of local government finance is as important as the reform of local government structure, powers and services. It must be

closely coordinated with such reforms. The financial needs of local government are determined by the services they are required or permitted to provide. The amount of fiscal independence they should be given depends on the responsiveness and effectiveness of their governmental structure. Finally, the new concept of self-governing powers for local units can be effective only if those units are given the financial resources as well as legal authority to solve local problems.

Finally, the increased taxable valuations anticipated under the Department of Revenue's reappraisal program is not a sufficient answer to local government's current fiscal needs. Constant increases in property tax revenue is not a satisfactory answer to the need to create a balanced tax system for local governments.

SUMMARY OF RECOMMENDATIONS

For the past two years, members of the Commission on Local Government have been studying many facets of local government finance. As a result of this research, the Commission is proposing several alternative recommendations for financing local government services. These alternatives include an all-purpose tax mill levy for both counties and municipalities, a state general revenue sharing program, state financing of county welfare programs, district courts and county attorney's salaries, a local option income tax, and several other local option taxes.

ALL-PURPOSE MILL LEVY

Due to the proliferation of single-purpose mill levies there has been a total absence of local discretion in the allocation of property tax revenues. Current law authorizes 38 distinct single-purpose mill levies for counties; 33 such mill levies are authorized for municipalities. The code proposes that beginning in fiscal year 1978 both municipalities and counties will be required to operate under an all-purpose mill levy for property taxation. This change will provide each local government with the needed discretion in allocating property tax revenues in a manner that is best for its community. At the same time, oversight of the property tax by the state legislature will be simplified. In the future the legislature will only have to consider one specific property tax for local governments -- the maximum number of mills that will be levied under the all-purpose mill levy -- rather than 71 separate taxes, as it must now consider.

LOCAL OPTION TAXES

The Commission recommends that several local option taxes be authorized for use by local governments in Montana as an element of the financial reform package. Local option taxes should be considered

an integral part of self-government powers, the proposed granted powers, and consistent with the philosophy of increased local responsibility, flexibility, and autonomy. If taxes are imposed at the local level, a greater degree of local control can be maintained. These options should include:

Income Tax. This tax would be piggybacked on the state income tax at a rate not exceeding 20% of the state tax liability. It would be imposed only after an affirmative vote of the people. The collection would be a function of the Department of Revenue and the distribution of the money would be to both county and municipal governments based on a formula set by an inter-local agreement. In the absence of an inter-local agreement, the distribution of the proceeds would be 50% on the basis of the point of origin and the remaining 50% on a per capita basis.

Hotel Room. A tax on all hotel and motel facilities as defined in current law could be imposed. The maximum authorized for this tax is a 10% charge on the total room rental fee. This would be utilized and administered by the local government where the tax is levied. The county may impose this tax in that area outside incorporated municipalities. A municipality may impose this tax only within its limits.

Motor Vehicle License. The local government could impose an additional fee on the issuance of motor vehicle licenses not to exceed 50% of the state imposed fee and used for public roadways. The fee would be collected by the county at the time of the annual motor vehicle registration. The county may impose this tax in that area outside incorporated municipalities. A municipality may impose this tax only within its limits.

Fuels. This tax (not exceeding \$.02 a gallon) would be imposed on fuels taxable as provided in current law to be used for public roadways within the jurisdiction. The tax is to be imposed and collected by the county and shared by all the local governments in the county. The distribution of the proceeds among the local governments would be based on an inter-local agreement.

INCREASED STATE FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS

In order to provide local governments with the opportunity to maintain the current level, or reduce the current level of property taxes, the Commission is recommending alternative sources of revenue for local governments that will provide greater financial contributions by the state for the delivery of local services. The programs the Commission recommends include:

Revenue Sharing. A balanced fiscal program dictates that no particular group should bear a disproportionate share of the responsibility for government finance. Only state government can play a major role in maintaining that principle. Therefore, the

Commission is recommending a \$12 million state revenue sharing program financed by the existing state corporate and personal income tax. This money would be allocated to Montana's municipalities and counties on the following basis: 60% of the revenue would be distributed using the current federal revenue sharing formula, the remaining 40% would be distributed among Montana's local governments on a per capita basis.

State Assumption of District Courts. The function of the District Court System is to provide a system of basic trial courts to administer state law. The state should assume the costs of the District Courts. The assumption of the costs of the District Court, Juvenile Probation, Justice of the Peace, Defender System, and Law Libraries, which include staff salaries, operational and trial costs, and capital equipment would be approximately \$5.0 million per year.

State Assumption of Economic Assistance. A strategy for ensuring a more uniform delivery of certain human services, while equalizing the financial responsibility for these services, would be for the state of Montana to assume all administrative and/or financial responsibility for economic assistance programs at the county level. Economic assistance programs include: Aid-to-Families with Dependent Children, Medical Assistance, Non-Resident General Assistance, Homemaker Services, Foster Care, and Food Stamps. Preliminary research indicates the state would have to appropriate approximately \$10 million per year to assume the financial responsibility for economic assistance programs. The Commission recommends that the state assume the funding of these programs and after a study and proposal change the administration of the programs in the second year of the 1980 biennium.

State Sharing of Local Public Health Costs. The responsibility for public health is basically the state's and the ability of local governments to adequately fund local public health services is inadequate. Therefore, the state should share with local governments the financial responsibility for local public health services. The costs for these programs would approximate \$1.2 million per year.

Full Funding of State Lands Equalization Payments. The state should fully fund the payments to counties for state lands that are exempt from taxation. The legislature created the program for the payment-in-lieu of taxes to counties for state lands in 1967. The statute provided a specific payment per acre based on the number of acres of grazing, agricultural, and forest lands. Since that time the legislature has failed to adequately fund this program. In 1975, the counties should have received a total of \$209,257, but only \$175,000 was appropriated. Each county that is qualified to benefit from these payments has received only a portion of what it should have received. The costs for fully funding this program would be approximately \$215,000 per year.

County Retention of License Proceeds. There are 25 types of license fees that are currently collected by the counties -- 50%

of the fee is retained by the county and 50% is remitted to the state treasurer to deposit 45% to the general fund and 5% to a fund for the Department of Livestock. The general grant of authority for counties to license activities in Section 47A-9-403 of the proposed Local Government Code eliminates the necessity for specific state statutes providing for county licenses. The replacement of the specific license statutes would permit counties to enact similar county licenses and retain all the fees. The reduction in state revenues would be approximately \$33,000 per year. This loss could easily be absorbed by the state general fund. A specific appropriation should be made to the earmarked revenue fund for the Department of Livestock for predatory animal and rodent control programs.

State Financing of County Attorney's Office. Beginning with the 1979 biennium the State Commission on Local Government proposes that the legislature appropriate sufficient monies to fund up to one-half of the total expenditures of the office of county attorney, not to exceed \$50,000. Existing law provides that one-half of the county attorney's salary should be borne by the state under the presumption that one-half of his activities are performed for the state. Since in recent years the assignment of new duties has dramatically increased the expenditures of that office by necessitating the expenses of legal and clerical staff, the state should provide funding for one-half of the total expenditures of the office of the county attorney. While this level of funding still may not be a true reflection of the balance of time expended on civil vis a vis prosecutorial duties, it would be a recognition that more individuals than only the county attorney spend at least one-half of their time performing duties on behalf of the state. Such a proposed funding formula would require an appropriation of \$2.22 million for the 1979 biennium.

NEW STATE PROGRAMS FOR LOCAL GOVERNMENT

State Technical Assistance Program. The state should play a major role in facilitating improvement in the management of resources by local governments, cooperation in the delivery of services, and local government productivity. This goal could be attained through a technical assistance program, financed by the state and local governments. The state's annual share would be approximately \$250,000, to be appropriated to the Department of Community Affairs. The Department of Community Affairs could then contract for technical assistance from the non-profit foundation created by the League of Cities and Towns and the Association of Counties.

Creation of an Advisory Council on Intergovernmental Relations. The Commission recommends the creation of a State Advisory Council on Intergovernmental Relations to review intergovernmental problems, to develop recommendations and to provide information. The Advisory Council on Intergovernmental Relations should consist of municipal, county, and school officials, representatives of state and federal

agencies, legislators, and representatives of the Governor and the judicial branch. The council should be attached to the Department of Community Affairs for administrative purposes and would function without a research staff. All research, information and staff assistance would be provided by local governments and agencies represented on the council. An annual budget of \$70,000 would be recommended for travel, per diem and expenses, and publication of research reports. The council would replace the existing State Commission on Local Government and the existing Governor's Advisory Council on Local Government.

SUMMARY OF FINANCIAL RECOMMENDATIONS
State Commission on Local Government
Approved October 15 and 16, 1976

LOCAL SOURCES

<u>Program</u>	<u>Annual Revenue</u>
All-Purpose Mill Levy	**
Local Option Taxes	
Income Tax	\$ 24.6 million ^a
Hotel/Motel Tax	**
Fuels Tax	\$ 9.6 million ^b
Motor Vehicle License Plate Tax	\$ 2.8 million ^b

STATE SOURCES

State Revenue Sharing	
General Revenue Sharing	\$ 12.0 million
Public Health Grants	\$ 1.2 million
Payments-in-Lieu for Lands	\$ 215,000
State Assumption of Financing	
Economic Assistance Programs	\$ 10.0 million ^c
District Courts Operation	\$ 5.0 million
County Attorney's Office	\$ 1.1 million
Retention of County License Proceeds	\$ 33,000
New State Programs for Local Governments	
Technical Assistance	\$ 250,000
Advisory Council on Intergovernmental Relations	\$ 70,000

^a Based on Legislative Fiscal Analyst's Fiscal Year 1978 State Income Tax Projection

^b Based on Fiscal Year 1975 Actual Receipts

^c Only for Second Year of the Biennium

** Statewide Estimates Not Calculated

ALL-PURPOSE MILL LEVY

ALL-PURPOSE MILL LEVY

Local governments should be authorized the use of an all-purpose property tax mill levy as the sole method of raising revenues through the levying of the property tax. The use of an all-purpose property tax mill levy by all counties and municipalities, instead of the multiple single-purpose property tax mill levy will simplify legislative oversight of the use of the property tax by local governments. At the same time, the all-purpose property tax will increase local discretion in allocating financial resources, simplify local government accounting and tax administration, reduce citizen confusion, and increase the accountability of local officials for budgeting.

The existing proliferation of thirty-eight county and thirty-three municipal single purpose mill levies almost defies comprehension (Tables 1 and 2). Each legislative session sees the addition of new single-purpose mill levies, while the general fund mill levies remain constant.

Citizens of one local government may desire a different level of service than those of other local governments. But, under the single-purpose mill levy system, the governing body has little discretion in determining the level of service, because the state has limited the financial resources available. The limitations are a result of the state mandating the maximum mill levy for the use of the property tax for any one service a local government may provide. This problem is exacerbated by the differences in the valuation of property in Montana's local governments. For example, under current law a county may levy up to 3 mills for county library services. The proceeds from that property tax levy in McCone County would be \$26,244 and in Meagher County it would be \$16,740. Both of these counties have approximately the same population. However, the ability of Meagher County to provide a similar level of service as McCone County is prevented by the single-purpose mill levy limit. With the authorization of an all-purpose mill levy, counties will have greater discretion in the provision of local services and may tailor them to the local situation.

Since its authorization in 1965, 100 of the 126 incorporated municipalities have adopted the all-purpose mill levy. The use of the all-purpose mill levy has greatly increased their budget flexibility without increasing total mill levy ceilings. It is time that this same authority be given to counties.

Not only should the all-purpose mill levy for counties be authorized, the existing single-purpose mill levies should be repealed. There are seventy-one mill levies authorized in sixteen titles of the code. The confusion regarding mill levies statutes is an annual problem when local governments develop their budgets. An all-purpose mill levy with necessary exceptions for emergencies, voted levies, livestock, independent and subordinate service district levies will simplify local budgeting.

The commission's recommendation is a 65 mill all-purpose levy for municipalities. In designing the all-purpose mill levy, an effort has been made to make it truly an all-purpose levy. The only exclusions to the all-purpose levy are those taxing authorities for emergency situations, subordinate service districts, tax applied only to property within the district, a voted permissive levy, comprehensive insurance premium payments, group insurance premium payments, and emergency purpose payments. However, should some of these exclusions be eliminated, thereby being an obligation of the all-purpose levy, or the local option taxing authority is not approved, the commission recommends that the all-purpose levy limit for municipalities be raised to 75 mills.

PROPOSED MILL LEVIES

<u>Purpose</u>	<u>Maximum Mills</u>
All-Purpose	65 (75)
Fire Department Relief	4
Police Reserves	3
Emergency	2
Group Insurance	4
Comp. Insurance	-
Debt Service	-
Voted Levy	-
L.I.D. Revolving	-
Judgment	-
Subordinate Service District	-

For counties, the all-purpose mill levy should be limited to 55 mills. The exclusions for counties should be the same as those for municipalities with the authorization for an additional levy for county road purposes.

PROPOSED MILL LEVIES

<u>Purpose</u>	<u>Maximum Mills</u>
All-Purpose	55
Public Roadways	18
Fire Department Relief	4
Police Reserve	4
Emergency	2
Group Insurance	4
Comp. Insurance	-
Debt Service	-
Voted Levy	-
L.I.D. Revolving	-
Judgment	-
Subordinate Service District	-

TABLE 1COUNTY
PROPERTY TAX MILL LEVIES

Current Authorization

<u>Purpose</u>	<u>Max. Mills</u>
General	25/27
Poor Fund	13.5
Roads	12/15
Emergency	2
Group Insurance	4
Bridge Fund	3/4/5
Special Bridge	5
Voted Road	10
County Fair	1.5
County Library	3
Joint Library	3
Airport	2
City-Co. Planning	2/3/4/5/6
Public Ferry	2
Ambulance	1
Open Space Land	1
Senior Citizen Rec.	1
Museum	1
Mental Health	1

Current Authorization

<u>Purpose</u>	<u>Max. Mills</u>
Board of Health	1
City/Co. Health Board	5
Civic Center	2
Cemetery	2
Econ. Development	1
Insect Pest Control	1
Weed Control	2
Purebred Livestock Show	.25
District Fair	1.5
Comp. Insurance	*
Debt Service	*
Voted Levy	*
R.I.D. Revolving	*
Extension Service	*
P.E.R.S.	*
County Park	*
Rural Fire Control	*
Local Government Study	*
Judgment	*

MUNICIPAL
PROPERTY TAX MILL LEVIES

Current Authorization

<u>Purpose</u>	<u>Max. Mills</u>
All-Purpose	65
General	24
Voted	5
Special Levy	15
Streets & Alleys	12
Park & Playground	7
Band & Recreation	1
City Library	4.5
Joint Library	4.5
Day Care	1
Volunteer Fire	2
Fire Dept. Relief	4
Airport	2
Police Reserve	3
Group Insurance	4
Bus	1.5

Current Authorization

<u>Purpose</u>	<u>Max. Mills</u>
Planning Commission	2/4/6
Board of Health	1
Joint Bd. of Health	5
Open Space Land	1
Ambulance	1
Econ. Development	1
Emergency	2
Senior Citizens Rec.	1
Urban Renewal	*
Study Commission	*
S.I.D. Revolving Fund	*
Cemetery	*
Comp. Insurance	*
P.E.R.S.	*
Debt Service	*
Judgment	*

* Indicates no statutory mill levy limit.

Table 2 illustrates the current utilization of the all-purpose mill levy for municipalities, the current single-purpose mill levies for both counties and municipalities, and the effects of the proposed all-purpose mill levy for counties.

TABLE 2

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
BEAVERHEAD COUNTY Dillon Lima		16.75 24.00 36.00	5.25	10.00 12.00 7.00		13.36 11.85 4.00	45.36 47.85 47.00
BIG HORN COUNTY Hardin Lodge Grass	65.00 65.00	11.21	1.65	6.86	1.25	6.23 2.50 --	27.20 67.50 65.00
BLAINE COUNTY Chinook Harlem	46.00 65.00	20.62	3.00	12.93	21.00 2.00	13.31 -- 1.00	49.86 67.00 68.00
BROADWATER COUNTY Townsend	61.00	26.50	4.50	8.11	23.00	9.64 --	48.75 84.00
CARBON COUNTY Bearcreek Bridger Fromberg Joliet Red Lodge	57.00 55.00 65.00 65.00	16.11 26.00	3.92	13.25 10.00	6.00 17.00 11.87 2.50	6.55 22.00 1.00 -- -- .60	39.83 58.00 64.00 72.00 76.87 68.10
CARTER COUNTY Ekalaka	60.00	27.00	2.50	15.00	1.50	9.50 --	55.50 60.00
CASCADE COUNTY Belt Cascade Great Falls Neihart	65.00 49.00 65.00	19.60	13.50	12.00	36.00 10.00 6.03	13.87 -- -- 3.62 74.65 2.00	58.97 101.00 59.00 74.65 24.50
CHOTEAU COUNTY Big Sandy Fort Benton Geraldine	45.00	15.05 12.50 30.55	.75	12.00 10.00 16.32	8.50 30.00	12.12 14.90 18.39 --	39.92 37.40 73.76 75.00

(Continued)

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
CUSTER COUNTY	18.00	21.60	7.16	7.77	6.32	6.89	49.74
Ismay						--	18.00
Miles City		64.99			1.00	4.45	70.44
DANIELS COUNTY		21.67	1.62	15.00	26.00	16.94	55.23
Flaxville				13.50	8.20	8.50	48.00
Scobey	58.60					--	66.80
DAWSON COUNTY		20.00	5.00	13.00	4.80	8.10	50.90
Glendive	65.00				5.60	--	70.60
Richey	44.00				10.00	--	54.00
DEER LODGE COUNTY		25.70	5.50	10.00		7.30	48.50
Anaconda		58.40				41.10	99.50
FALLON COUNTY		10.08	3.17	9.95	2.64	6.29	32.13
Baker	65.00					6.85	71.85
Plevna						2.00	2.00
FERGUS COUNTY		25.00	11.32	12.00		4.08	52.40
Denton	44.00				12.00	--	56.00
Grass Range	35.90					--	35.90
Lewistown	71.13				4.79	3.83	79.75
Moore		17.50		12.00		36.00	65.00
Winifred	25.00					--	25.00
FLATHEAD COUNTY		24.96	6.56	9.58	.83	17.81	59.74
Columbia Falls	81.00				3.00	1.00	85.00
Kalispell	61.00					7.00	68.00
Whitefish	65.00					2.00	67.00
GALLATIN COUNTY		20.21	2.58	12.00	.76	7.93	43.48
Belgrade	58.00					--	58.00
Bozeman	65.00				4.50	7.20	76.70
Manhattan	65.00				11.00	--	76.00
Three Forks	57.00				6.50	--	63.50
West Yellowstone	58.84					2.00	70.84

(Continued)

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
GARFIELD COUNTY Jordan	6.00	18.20	10.80	15.00	12.00	6.90 --	50.90 18.00
GLACIER COUNTY Browning Cut Bank	54.50 51.25	17.21	13.00	12.00	3.67 20.75	7.30 -- --	53.18 54.50 72.00
GOLDEN VALLEY COUNTY Lavina Ryegate	35.00 38.00	22.50	4.90	15.00	10.00	7.67 --	50.07 45.00 38.00
GRANITE COUNTY Drummond Phillipsburg	50.23 63.27	26.68	13.50	8.28		11.48 -- 2.00	59.94 50.23 65.27
HILL COUNTY Havre Hingham	65.00 25.00	23.61	4.74	12.00	.75 14.55	11.72 3.08 --	52.82 82.63 25.00
JEFFERSON COUNTY Boulder Whitehall	65.00 64.00	26.65	6.32	7.52	17.60	10.17 -- --	50.66 82.60 64.00
JUDITH BASIN COUNTY Hobson Stanford	30.69 44.00	26.52	10.2	15.00	8.00	6.85 -- --	49.39 30.69 52.00
LAKE COUNTY Polson Ronan St. Ignatius	65.00 41.00	25.00 26.00	6.90	12.00 14.00	5.00 7.00	9.33 22.25 --	53.23 67.25 72.00
LEWIS & CLARK COUNTY East Helena Helena	37.50 56.27	23.00	10.18	12.00	6.71 1.50 .68	14.49 3.00 8.36	66.38 42.00 65.31

(Continued)

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
LIBERTY COUNTY Chester	64.00	16.25	8.00	15.00	3.00 11.00	9.25 --	51.50 75.00
LINCOLN COUNTY Eureka Libby Rexford Troy	47.00 65.00 -- 60.00	13.65 --	8.78 --	--	8.00 1.90 -- 8.00	6.71 -- 2.92 --	29.14 55.00 69.82 8.00
MADISON COUNTY Ennis Sheridan Twin Bridges Virginia City	43.00 60.00 65.00 55.00	18.64	1.22	6.92	.76 20.00	7.47 -- -- --	35.01 63.00 60.00 69.00
MCCONE COUNTY Circle	49.00	24.00	5.00	15.00	6.25	11.00 --	61.25 49.00
MEAGHER COUNTY White Sulphur Spgs.		22.50 24.00	1.10	14.00 12.00	7.00	8.16 10.00	45.76 53.00
MINERAL COUNTY Alberton Superior	65.00 59.37	27.00	13.50		10.02 1.41	23.88 3.00 5.33	74.40 68.00 66.11
MISSOULA COUNTY Missoula	70.78	23.38	8.14	10.00	2.27 4.72	13.21 .33	57.00 75.83
MUSSELSHELL COUNTY Melstone Roundup	61.50 52.74	9.76	3.79	4.39		3.53 4.86 3.76	21.47 66.36 56.00
PARK COUNTY Clyde Park Livingston	50.00	23.30 24.00	5.00	8.00 11.98	3.60 7.27	5.92 32.49	45.82 50.00 75.74
(Continued)							

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
PETROLEUM COUNTY Winnett	65.00	10.00	4.00	8.00	10.49	2.29 1.59	24.29 77.08
PHILLIPS COUNTY Dodson Malta Saco	45.00 62.64 31.68	20.00	2.90	15.00		9.11 -- 4.55 67.19 2.03 33.71	47.01 45.00 67.19 33.71
PONDERA COUNTY Conrad Valier	64.50 52.00	24.50	4.00	15.00	5.30	9.57 -- -- 52.00	58.37 64.50 52.00
POWDER RIVER COUNTY Broadus	60.00	8.00	9.00	12.00	1.00	3.35 2.00	32.35 63.00
POWELL COUNTY Deer Lodge		24.00 24.00	10.00	5.00 12.00	2.10	5.22 14.40	46.32 50.40
PRAIRIE COUNTY Terry	56.40	20.59	7.50	11.39	5.08	10.63 7.10	55.19 63.50
RAVALLI COUNTY Darby Hamilton Stevensville	65.00 64.72 45.50	27.00	4.40	15.00		12.85 10.00 -- -- 67.50	59.26 75.00 64.72 67.50
RICHLAND COUNTY Fairview Sidney		11.10 30.00 17.00	2.35	10.50 18.00 12.00	22.00	8.20 11.00 13.25	32.15 59.00 46.00
ROOSEVELT COUNTY Bainville Brockton Culbertson (Continued)	35.00 30.89	19.66 30.00	6.57	15.00	7.05	9.75 -- 22.00 2.73	50.98 35.00 52.00 40.67

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
ROOSEVELT COUNTY (Cont.)							
Froid	47.00					--	47.00
Poplar		24.00		12.00	5.00	29.50	70.50
Wolf Point	61.77				1.97	1.26	65.00
ROSEBUD COUNTY							
Forsyth	65.00	2.95	2.62	11.99	1.20	5.29	24.05
						4.00	69.00
SANDERS COUNTY							
Hot Springs		18.63	5.81	3.94	8.31	8.06	44.75
Plains	43.00	48.00		10.00		8.00	66.00
Thompson Falls	54.49				16.00	--	59.00
					4.00	2.00	60.49
SHERIDAN COUNTY							
Medicine Lake	62.00	13.00	2.00	11.00		4.70	30.70
Outlook	32.00				25.00	6.00	93.00
Plentywood	46.75					--	32.00
Westby	65.00				6.50	1.00	54.25
					30.00	--	95.00
SILVER BOW COUNTY							
Butte	73.94	24.96	13.50	7.15	2.51	11.14	59.26
Walkerville		19.00		17.00		--	73.94
						12.00	48.00
STILLWATER COUNTY							
Columbus	65.00	21.94	2.87	12.93	.65	4.48	42.87
						5.10	70.10
SWEET GRASS COUNTY							
Big Timber	56.03	24.00	2.25	15.00	3.70	13.85	58.80
						--	56.03
TETON COUNTY							
Choteau		24.00		15.00	9.79	14.59	63.38
Dutton	54.00	24.00		12.00		10.30	46.30
Fairfield	53.63				15.00	--	69.00
						--	53.63

(Continued)

PROPERTY TAX MILL LEVIES
FISCAL YEAR 1976

Government Unit	All-Purpose	General	Poor	Road	Bond	Other	Total
TOOLE COUNTY							
Kevin	35.00	21.63	10.88	12.00	2.74	8.80	56.05
Shelby	49.75				20.00	1.00	56.00
Sunburst	61.75				3.50	5.20	58.45
						8.25	70.00
TREASURE COUNTY							
Hysham	65.00	27.00	2.75	15.00	16.20	7.07	51.82
						--	81.20
VALLEY COUNTY							
Glasgow	67.49	23.30	4.52	12.00	1.35	10.37	51.54
Nashua					2.75	.78	71.02
Opheim	65.00	31.00		12.20	56.10	13.80	113.10
						--	65.00
WHEATLAND COUNTY							
Harlowtown	53.00	26.99	7.35	11.75	4.56	15.50	66.15
Judith Gap		20.00		10.00		--	53.00
						--	30.00
WIBAUX COUNTY							
Wibaux	50.00	13.69	4.13	12.97	8.88	6.42	46.09
						--	50.00
YELLOWSTONE COUNTY							
Billings	65.00	19.44	5.25	7.72	2.53	9.43	44.37
Broadview	54.00				5.05	3.95	74.00
Laurel	60.00				5.00	--	54.00
						13.00	78.00

SOURCE: Montana Property Tax Mill Levies, 1975-1976, Montana Taxpayers Association

TABLE 3
ESTIMATED EFFECTS OF PROPOSED COUNTY ALL-PURPOSE MILL LEVY

<u>County</u>	<u>All-Purpose</u>	<u>Road</u>	<u>Bond</u>
Beaverhead	30.11	10.00	--
Big Horn	17.44	6.86	1.25
Blaine	33.93	12.93	--
Broadwater	34.29	8.11	--
Carbon	20.28	13.25	--
Carter	36.50	15.00	1.50
Cascade	27.72	12.00	--
Choteau	27.17	12.00	--
Custer	28.49	7.77	6.32
Daniels	38.61	15.00	--
Dawson	27.70	13.00	4.80
Deer Lodge	33.00	10.00	--
Fallon	16.37	9.95	2.64
Fergus	29.08	12.00	--
Flathead	42.77	9.58	8.30
Gallatin	28.14	12.00	.76
Garfield	25.10	15.00	--
Glacier	24.51	12.00	3.67
Golden Valley	30.17	15.00	--
Granite	37.80	8.28	--
Hill	33.74	12.00	.75
Jefferson	36.82	7.52	--
Judith Basin	31.49	15.00	--
Lake	34.33	12.00	--
Lewis and Clark	37.49	12.00	6.71
Liberty	25.50	15.00	3.00
Lincoln	20.37	--	--
Madison	26.11	6.92	.76
McCone	33.50	15.00	6.25
Meagher	30.60	14.00	--
Mineral	50.88	--	10.02
Missoula	36.59	10.00	2.27
Musselshell	13.29	4.39	--
Park	29.22	8.00	3.60
Petroleum	12.29	8.00	--
Phillips	29.11	15.00	--
Pondera	34.07	15.00	5.30
Powder River	11.35	12.00	--
Powell	28.72	5.00	2.10
Prairie	31.22	11.39	5.08
Ravalli	39.85	15.00	--
Richland	19.03	10.50	.27
Roosevelt	29.41	15.00	--
Rosebud	8.23	11.99	1.20
Sanders	26.69	3.94	8.31
Sheridan	17.70	11.00	--
Silver Bow	34.47	7.15	2.51
Stillwater	26.42	12.93	.65
Sweet Grass	34.15	15.00	3.70
Teton	38.59	15.00	9.79
Toole	30.43	12.00	2.74
Treasure	34.07	15.00	--
Valley	33.67	12.00	1.35
Wheatland	42.49	11.75	4.56
Wibaux	20.11	12.97	8.88
Yellowstone	26.24	7.72	2.53

Source: Montana Property Tax Mill Levies 1975-1976, Montana Taxpayers Association.

LOCAL OPTION TAXES

LOCAL OPTION TAXES

Local option taxes should be considered an integral part of the granted powers, implementing the philosophy of increased local flexibility, autonomy, and responsibility. If taxes are imposed at the local level, then a greater degree of local control can be maintained. This is in agreement with the philosophy expressed in the 1972 Constitution and the proposed local government code. Both the Constitution and the code grant local governments new powers and responsibilities. This signifies the recognition by the State that local governments need and are capable of the responsibility for using greater local autonomy in developing sources of revenue for funding the services and facilities they may provide.

Income Tax

The most significant of the local tax options is an income tax. The recommendation is for an income tax collected with the state income tax, commonly known as a "piggyback" tax. This rate could not exceed 20% of the state tax liability. This tax would be imposed on a countywide basis with the benefits distributed among governments of all the incorporated municipalities within the county and county government. The income tax would not become effective until it had been approved by the voters of the county. The administration and enforcement would be a function of the Department of Revenue.

In 1975, the state government in Montana collected about \$98 million through the individual income tax. On the other hand, counties collected \$54.9 million in property tax with cities and towns collecting \$24.5 million. It is obvious that the income tax is not going to replace the property tax completely. However, if each county utilized the income tax at the maximum of 20% of the state personal income tax, the revenue could replace or supplement the local government's property tax by 25%. Table 1 indicates the amount of revenue that would be available in each county based on the 1975 state income tax collections and if each county used the 20% maximum.

The income tax would be imposed on a countywide basis, with each of the local governments within the county receiving a portion of the proceeds from the tax. Unless a different formula is adopted by inter-local agreement the statutory formula for the allocation of the revenues among the local governments provides:

(a) One-half of the proceeds shall be distributed between the municipalities and county in a ratio based on the total income tax collections in each jurisdiction. For this purpose the municipality jurisdiction shall include all taxpayers residing in the municipality. The county jurisdiction shall include only taxpayers residing in the county outside of municipalities.

(b) The remainder of the proceeds shall be distributed to

local governments in the county in the same proportion that their populations bear to the county total. For this purpose the population of the county shall include all county residents including municipal residents and shall be added to the population of the municipalities to calculate the proportions.

LOCAL OPTION INCOME TAX

20% Maximum

<u>County</u>	<u>20% of State Income Tax*</u>	<u>County</u>	<u>20% of State Income Tax*</u>
Beaverhead	\$ 197,000	Meagher	\$ 42,000
Big Horn	\$ 459,000	Mineral	\$ 83,000
Blaine	\$ 163,000	Missoula	\$ 2,082,000
Broadwater	\$ 76,000	Musselshell	\$ 108,000
Carbon	\$ 207,000	Park	\$ 340,000
Carter	\$ 86,000	Petroleum	\$ 13,000
Cascade	\$ 2,538,000	Phillips	\$ 190,000
Chouteau	\$ 440,000	Pondera	\$ 304,000
Custer	\$ 491,000	Powder River	\$ 62,000
Daniels	\$ 156,000	Powell	\$ 202,000
Dawson	\$ 472,000	Prairie	\$ 55,000
Deer Lodge	\$ 481,000	Ravalli	\$ 378,000
Fallon	\$ 136,000	Richland	\$ 359,000
Fergus	\$ 282,000	Roosevelt	\$ 362,000
Flathead	\$ 1,334,000	Rosebud	\$ 339,000
Gallatin	\$ 1,036,000	Sanders	\$ 157,000
Garfield	\$ 50,000	Sheridan	\$ 356,000
Glacier	\$ 269,000	Silver Bow	\$ 1,868,000
Golden Valley	\$ 29,000	Stillwater	\$ 151,000
Granite	\$ 58,000	Sweet Grass	\$ 67,000
Hill	\$ 827,000	Teton	\$ 236,000
Jefferson	\$ 162,000	Toole	\$ 253,000
Judith Basin	\$ 262,000	Treasure	\$ 62,000
Lake	\$ 280,000	Valley	\$ 429,000
Lewis and Clark	\$ 1,454,000	Wheatland	\$ 75,000
Liberty	\$ 182,000	Wibaux	\$ 41,000
Lincoln	\$ 589,000	Yellowstone	\$ 3,967,000
Madison	\$ 115,000		
McCone	\$ 112,000	TOTAL	\$ 25,510,000

* Rounded off to thousands.

SOURCE: Department of Revenue, Research Division

Hotel-Motel Tax

A hotel-motel tax is another local option tax that would help local governments supplement their revenues, especially those local governments that are prime tourist attractions in Montana.

Many areas of Montana are subject to tremendous fluctuations in population during the various seasons. It is estimated that \$1.9 million people visited the state in 1975. These people are provided police protection, fire protection and several other governmental services. Local governments have no way of directly recovering the costs of providing services to these tourists traveling through their cities or counties.

The tax would not exceed 10 per cent of the total room charge. The definition of hotel, motel or condominium that would be subject to this tax is found in 34-302(d) of the Revised Codes of Montana, 1947.

The collection and administration of this tax would be the responsibility of each local government. The hotel-motel tax may be imposed by ordinance, or the governing body may call for an election on the question of its imposition.

ESTIMATED REVENUES FROM HOTEL-MOTEL OCCUPANCY TAX FOR SELECTED CITIES AND SURROUNDING AREAS

(Based on 10 per cent per Person per Night)

<u>City</u>	<u>Rooms</u>	<u>Occupancy</u> ¹	<u>Revenues</u> ²
Missoula	909	1,090	\$ 490,500
Kalispell	668	802	\$ 360,900
Bozeman	669	802	\$ 360,900
Billings	1,664	1,977	\$ 898,650
Great Falls	1,057	1,268	\$ 570,600
Helena	587	704	\$ 316,800

¹Based on two people per room and 60% of rooms occupied.

²This figure is 360 times the occupancy rate and indicates the tax of \$1.25 per room.

Source: Local Chambers of Commerce, Office of Convention and Tours, and the State Commission on Local Government.

Fuels Tax

A local option motor fuels tax would be a new departure for Montana. The reason being, that like a majority of the other states, motor fuels taxes are reserved for the state government, earmarked for state highway and partially to the local governments for road purposes.

In an attempt to relieve some of the pressure on the property tax, a fuels tax is recommended. The tax would be limited to a maximum of 2 cents per gallon to the ultimate purchaser. The imposing local government would be responsible for the administration and collection of the tax. The tax may be levied only on those fuels that may be taxed under the provisions of Chapter 18 of Title 84, Revised Codes of Montana, 1947.

The imposition of the fuels tax would be county-wide with all the local governments benefiting from its imposition. The distribution of the fuels tax proceeds would be determined by an interlocal agreement entered into by the governing bodies of each of the local governments within the county prior to the effective date of the tax.

Table 6 is provided to indicate the possible yields of a gasoline tax. The reader should be cautioned as to its accuracy. At the present time there is no data that records the sale of gasoline within the boundaries of a given local government. However, the Montana Petroleum Association tabulates the gallonage of fuels sold in various areas. This information provides a benchmark to determine the significance of a fuels tax. Table 6 uses the gallonage reported for calendar year 1974 for each local government area. This table exemplifies a fuels tax levied by each local government within its jurisdiction, with county taxing only that area that is not in the limits of a municipality. The accuracy is suspect, but gives the reader an idea of the potential of the tax.

TABLE 6

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>	<u>Proceeds</u>
BEAVERHEAD COUNTY	617,643	\$ 12,353
Dillon	6,169,501	\$ 123,390
Lima	470,950	\$ 9,419
BIG HORN COUNTY	428,553	\$ 8,571
Hardin	6,377,028	\$ 127,541
Lodge Grass	973,457	\$ 19,469
BLAINE COUNTY	400,133	\$ 8,003
Chinook	2,296,676	\$ 45,934
Harlem	1,491,139	\$ 29,823
BROADWATER COUNTY	N/A	
Townsend	2,030,075	\$ 40,602
CARBON COUNTY	1,258,191	\$ 25,164
Bearcreek	N/A	
Bridger	1,248,283	\$ 24,966
Fromberg	N/A	
Joliet	341,776	\$ 6,836
Red Lodge	1,710,079	\$ 34,202
CARTER COUNTY	422,131	\$ 8,443
Ekalaka	893,051	\$ 17,861
CASCADE COUNTY	1,631,318	\$ 32,626
Belt	303,025	\$ 6,061
Cascade	931,544	\$ 18,631
Great Falls	48,401,948	\$ 968,038
Neihart	N/A	
CHOTEAU COUNTY	1,088,490	\$ 21,770
Big Sandy	1,262,667	\$ 25,253
Fort Benton	1,543,361	\$ 30,867
Geraldine	802,574	\$ 16,051
CUSTER COUNTY	N/A	
Ismay	N/A	
Miles City	11,128,684	\$ 222,574
DANIELS COUNTY	748,949	\$ 14,979
Flaxville	350,800	\$ 7,016
Scobey	1,129,772	\$ 22,595

(Continued)

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>	<u>Proceeds</u>
DAWSON COUNTY	488,150	\$ 9,763
Glendive	7,760,861	\$ 155,217
Richey	457,035	\$ 9,141
DEER LODGE COUNTY	N/A	
Anaconda	3,899,323	\$ 77,986
FALLON COUNTY	N/A	
Baker	3,126,193	\$ 62,524
Plevna	274,888	\$ 5,498
FERGUS COUNTY	513,247	\$ 10,265
Denton	727,832	\$ 14,457
Grass Range	249,000	\$ 4,980
Lewistown	5,932,781	\$ 118,656
Moore	501,173	\$ 10,023
Winifred	447,764	\$ 8,955
FLATHEAD COUNTY	370,620	\$ 7,412
Columbia Falls	3,675,017	\$ 73,500
Kalispell	17,562,583	\$ 351,252
Whitefish	3,168,203	\$ 63,364
GALLATIN COUNTY	615,224	\$ 12,304
Belgrade	1,520,729	\$ 30,415
Bozeman	17,680,172	\$ 353,603
Manhattan	1,431,323	\$ 28,626
Three Forks	1,665,956	\$ 33,319
West Yellowstone	2,901,319	\$ 58,026
GARFIELD COUNTY	28,700	\$ 574
Jordan	1,608,661	\$ 32,173
GLACIER COUNTY	912,087	\$ 18,242
Browning	2,528,356	\$ 50,567
Cut Bank	9,629,186	\$ 192,584
GOLDEN VALLEY	N/A	
Lavina	353,500	\$ 7,070
Ryegate	300,978	\$ 6,020
GRANITE COUNTY	373,500	\$ 7,461
Drummond	1,226,822	\$ 24,536
Philipsburg	612,921	\$ 12,258
HILL COUNTY	1,657,021	\$ 33,140
Havre	8,488,253	\$ 169,765
Hingham	337,187	\$ 6,744

(Continued)

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>	<u>Proceeds</u>
JEFFERSON COUNTY	N/A	
Boulder	336,615	\$ 6,732
Whitehall	1,377,279	\$ 27,546
JUDITH BASIN COUNTY	1,188,428	\$ 23,769
Hobson	319,705	\$ 6,394
Stanford	727,992	\$ 14,560
LAKE COUNTY	873,488	\$ 17,470
Polson	2,471,558	\$ 49,431
Ronan	3,561,576	\$ 71,232
St. Ignatius	362,801	\$ 7,256
LEWIS AND CLARK COUNTY	1,880,622	\$ 37,612
East Helena	N/A	
Helena	20,596,618	\$ 411,932
LIBERTY COUNTY	465,615	\$ 9,312
Chester	1,214,161	\$ 24,283
LINCOLN COUNTY	N/A	
Eureka	1,302,889	\$ 26,058
Libby	5,671,010	\$ 113,420
Rexford	N/A	
Troy	655,474	\$ 13,109
MADISON COUNTY	382,240	\$ 7,645
Ennis	1,428,706	\$ 28,574
Sheridan	894,723	\$ 17,894
Twin Bridges	1,194,115	\$ 23,882
Virginia City	N/A	
McCONE COUNTY	262,975	\$ 5,260
Circle	1,861,167	\$ 37,223
MEAGHER COUNTY	199,901	\$ 3,998
White Sulphur Springs	1,278,535	\$ 25,571
MINERAL COUNTY	1,608,904	\$ 32,178
Alberton	223,800	\$ 4,476
Superior	1,497,691	\$ 29,954
MISSOULA COUNTY	1,207,321	\$ 24,146
Missoula	39,417,991	\$ 788,360

(Continued)

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>	<u>Proceeds</u>
MUSSELSHELL COUNTY	79,800	\$ 1,596
Melstone	395,492	\$ 7,910
Roundup	2,566,303	\$ 51,326
PARK COUNTY	1,180,795	\$ 23,616
Clyde Park	495,050	\$ 9,901
Livingston	5,991,047	\$ 119,821
PETROLEUM COUNTY	N/A	
Winnett	655,187	\$ 13,104
PHILLIPS COUNTY	270,924	\$ 5,418
Dodson	231,471	\$ 4,629
Malta	3,760,794	\$ 75,216
Saco	588,005	\$ 11,760
PONDERA COUNTY	727,344	\$ 14,547
Conrad	2,855,761	\$ 57,115
Valier	920,439	\$ 18,409
POWDER RIVER COUNTY	144,325	\$ 2,887
Broadus	1,718,613	\$ 34,372
POWELL COUNTY	173,300	\$ 3,466
Deer Lodge	4,143,631	\$ 82,873
PRAIRIE COUNTY	276,725	\$ 5,535
Terry	1,192,062	\$ 23,841
RAVALLI COUNTY	37,462	\$ 749
Darby	748,535	\$ 14,971
Hamilton	5,191,293	\$ 103,826
Stevensville	2,063,233	\$ 41,265
RICHLAND COUNTY	462,935	\$ 9,259
Fairview	612,182	\$ 12,244
Sidney	5,470,431	\$ 109,409
ROOSEVELT COUNTY	21,400	\$ 428
Bainville	277,291	\$ 5,546
Brockton	144,443	\$ 2,889
Culbertson	1,331,516	\$ 26,630
Froid	620,805	\$ 12,416
Poplar	1,603,253	\$ 32,065
Wolf Point	4,430,294	\$ 88,606

(Continued)

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>		<u>Proceeds</u>
ROSEBUD COUNTY	339,200	\$	6,784
Forsyth	4,671,815	\$	93,436
SANDERS COUNTY	306,291	\$	6,126
Hot Springs	503,557	\$	10,071
Plains	2,058,906	\$	41,178
Thompson Falls	1,500,165	\$	30,003
SHERIDAN COUNTY	846,705	\$	16,934
Medicine Lake	371,175	\$	7,424
Outlook	262,104	\$	5,242
Plentywood	2,002,742	\$	40,055
Westby	200,247	\$	4,005
SILVER BOW COUNTY	N/A		
Butte	22,104,972	\$	442,100
Walkerville	N/A		
STILLWATER COUNTY	2,005,469	\$	40,109
Columbus	1,553,317	\$	31,066
SWEET GRASS COUNTY	N/A		
Big Timber	3,213,280	\$	64,266
TETON COUNTY	516,802	\$	10,336
Choteau	2,344,803	\$	46,896
Dutton	646,809	\$	12,936
Fairfield	1,099,000	\$	21,980
TOOLE COUNTY	351,971	\$	7,039
Kevin	344,872	\$	6,897
Shelby	3,294,461	\$	65,889
Sunburst	825,753	\$	16,515
TREASURE COUNTY	N/A		
Hysham	941,314	\$	18,826
VALLEY COUNTY	610,251	\$	12,205
Glasgow	8,711,332	\$	174,227
Nashua	816,333	\$	16,327
Opheim	314,851	\$	6,297
WHEATLAND COUNTY	N/A		
Harlowtown	2,020,942	\$	40,419
Judith Gap	296,379	\$	5,928

(Continued)

ESTIMATED PROCEEDS OF A GASOLINE TAX
(Maximum of 2 Cents Per Gallon)

<u>Government Unit</u>	<u>Gallons Sold</u>	<u>Proceeds</u>
WIBAUX COUNTY	N/A	
Wibaux	641,729	\$ 12,835
YELLOWSTONE COUNTY	2,472,353	\$ 49,447
Billings	63,583,182	\$ 1,271,664
Broadview	190,156	\$ 3,803
Laurel	3,698,117	\$ 73,962
	TOTAL	\$ 9,654,607

N/A - Information not available.

Motor Vehicle License Plate Fee

Currently local governments in Montana receive a fee for the registration of motor vehicles. This fee ranges from \$2.00 for motorcycles to \$30.00 for auto dealer's plates. The proceeds from the registration fees are then distributed among the governments of the municipalities and the county. The municipalities receive 50% of the net fees derived from the registration of any motor vehicle whose owners are residents of the municipality. The use of this revenue is limited to the construction, repair, and maintenance of public highways and streets of the local government and not part of a state or federal system.

Local governments should be given the opportunity to use an additional motor vehicle license fee in order to widen the base for the costs of roads. The majority of the total revenue for local road purposes comes from the property tax. This situation will not enhance the ability of local governments to respond to needs in the future to provide roads, highways, and bridges. The imposition of an additional motor vehicle license fee would both ease the burden of the property owner and go quite a ways in the solution of local governments' never ending problems with road services.

The recommendation is for the authorization of a fee not to exceed 50% of the current fee now charged. The fee would be administered by the county at the time of motor vehicle registration. The revenues generated by this fee would go directly to the local government imposing the fee. There would be no splitting of additional revenues among the local governments in the county, as is the case for the present registration fees. This fee may be imposed by ordinance.

Table 7 illustrates the significance of this fee. The tabulation is based on fiscal year 1976 motor vehicle registration and the maximum fee of 50% of the current state fee is imposed.

TABLE 7
FISCAL YEAR 1976
ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
BEAVERHEAD COUNTY	\$ 54,010.89	\$ 27,005.45
Dillon	\$ 10,037.10	\$ 5,018.55
Lima	\$ 857.91	\$ 428.96
BIG HORN COUNTY	\$ 70,442.86	\$ 35,221.43
Hardin	\$ 10,363.06	\$ 5,181.53
Lodge Grass	\$ 1,197.03	\$ 598.52
BLAINE COUNTY	\$ 49,502.09	\$ 24,751.05
Chinook	\$ 6,163.90	\$ 3,081.95
Harlem	\$ 2,774.56	\$ 1,387.28
BROADWATER COUNTY	\$ 24,904.15	\$ 12,452.08
Townsend	\$ 4,065.59	\$ 2,032.80
CARBON COUNTY	\$ 62,234.41	\$ 31,117.21
Bearcreek	\$ 258.50	\$ 129.25
Bridger	\$ 3,048.58	\$ 1,529.29
Fromberg	\$ 1,847.15	\$ 923.58
Joliet	\$ 2,083.88	\$ 1,041.94
Red Lodge	\$ 8,234.61	\$ 4,117.31
CARTER COUNTY	\$ 18,110.16	\$ 9,055.08
Ekalaka	\$ 2,425.00	\$ 1,212.50
CASCADE COUNTY	\$ 381,989.94	\$ 190,994.97
Belt	\$ 2,086.26	\$ 1,043.13
Cascade	\$ 2,772.87	\$ 1,386.44
Great Falls	\$ 179,953.56	\$ 89,976.78
Neihart	\$ 361.98	\$ 180.99
CHOTEAU COUNTY	\$ 76,352.57	\$ 38,176.29
Big Sandy	\$ 2,176.15	\$ 1,088.08
Fort Benton	\$ 5,381.06	\$ 2,690.53
Geraldine	\$ 852.60	\$ 426.30
CUSTER COUNTY	\$ 71,668.21	\$ 35,834.11
Ismay	-0-	-0-
Miles City	\$ 32,254.08	\$ 16,127.04
DANIELS COUNTY	\$ 32,848.58	\$ 16,424.29
Flaxville	\$ 547.06	\$ 273.53
DAWSON COUNTY	\$ 78,723.20	\$ 39,361.60
Glendive	\$ 20,963.12	\$ 10,481.56
Richey	\$ 1,518.85	\$ 759.43

(Continued)

FISCAL YEAR 1976

ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
DEER LODGE COUNTY	\$ 35,641.84	\$ 17,820.92
Anaconda	\$ 58,372.42	\$ 29,186.21
FALLON COUNTY	\$ 30,664.82	\$ 15,332.41
Baker	\$ 8,668.00	\$ 4,334.00
Plevna	\$ 571.65	\$ 285.83
FERGUS COUNTY	\$ 61,260.41	\$ 30,630.21
Denton	\$ 4,139.55	\$ 2,069.78
Grass Range	\$ 1,720.52	\$ 860.26
Lewistown	\$ 43,872.46	\$ 21,936.23
Moore	\$ 5,904.80	\$ 2,952.40
Winifred	\$ 4,299.34	\$ 2,149.67
FLATHEAD COUNTY	\$ 308,306.39	\$ 154,153.20
Columbia Falls	\$ 8,493.42	\$ 4,246.71
Kalispell	\$ 35,206.21	\$ 17,603.11
Whitefish	\$ 10,715.67	\$ 5,357.84
GALLATIN COUNTY	\$ 195,069.13	\$ 97,534.57
Belgrade	\$ 5,581.16	\$ 2,790.58
Bozeman	\$ 49,299.17	\$ 24,649.59
Manhattan	\$ 3,061.34	\$ 1,530.67
Three Forks	\$ 6,737.79	\$ 3,368.90
W. Yellowstone	\$ 5,501.71	\$ 2,750.86
GARFIELD COUNTY	\$ 18,326.21	\$ 9,163.11
Jordan	\$ 2,232.91	\$ 1,116.46
GLACIER COUNTY	\$ 64,978.19	\$ 32,489.10
Browning	\$ 3,964.72	\$ 1,982.36
Cut Bank	\$ 13,249.64	\$ 6,624.82
GOLDEN VALLEY	\$ 9,534.60	\$ 4,767.30
Lavina	\$ 477.92	\$ 238.96
Ryegate	\$ 947.96	\$ 473.98
GRANITE COUNTY	\$ 19,503.98	\$ 9,751.99
Drummond	\$ 1,556.72	\$ 778.36
Philipsburg	\$ 3,572.65	\$ 1,786.33
HILL COUNTY	\$ 90,477.13	\$ 45,238.57
Havre	\$ 59,540.74	\$ 29,770.37
Hingham	\$ 1,269.01	\$ 634.51

(Continued)

FISCAL YEAR 1976

ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
JEFFERSON COUNTY	\$ 23,193.81	\$ 11,596.91
Boulder	\$ 13,726.90	\$ 6,863.45
Whitehall	\$ 9,466.87	\$ 4,733.44
JUDITH BASIN COUNTY	\$ 43,961.64	\$ 21,980.82
Hobson	\$ 1,259.71	\$ 629.86
Stanford	\$ 2,553.75	\$ 1,276.88
LAKE COUNTY	\$ 123,431.28	\$ 61,715.64
Polson	\$ 8,015.59	\$ 4,007.80
Ronan	\$ 3,835.34	\$ 1,917.67
St. Ignatius	\$ 2,332.97	\$ 1,166.49
LEWIS & CLARK COUNTY	\$ 278,788.08	\$ 139,394.04
East Helena	\$ 7,629.91	\$ 3,814.96
Helena	\$ 75,418.55	\$ 37,709.28
LIBERTY COUNTY	\$ 26,807.60	\$ 13,403.80
Chester	\$ 4,263.98	\$ 2,131.99
LINCOLN COUNTY	\$ 107,083.93	\$ 53,541.97
Eureka	\$ 2,891.06	\$ 1,445.53
Libby	\$ 8,740.15	\$ 4,370.08
Rexford	-0-	-0-
Troy	\$ 2,863.04	\$ 1,431.52
MADISON COUNTY	\$ 52,009.43	\$ 26,004.72
Ennis	\$ 308.28	\$ 154.14
Sheridan	\$ 342.85	\$ 171.43
Twin Bridges	\$ 328.82	\$ 164.41
Virginia City	\$ 379.42	\$ 189.71
McCONE COUNTY	\$ 32,943.43	\$ 16,471.72
Circle	\$ 2,745.67	\$ 1,372.84
MEAGHER COUNTY	\$ 15,517.99	\$ 7,759.00
White Sulphur Springs	\$ 4,392.99	\$ 2,196.50
MINERAL COUNTY	\$ 22,783.85	\$ 11,391.93
Alberton	\$ 1,129.26	\$ 564.63
Superior	\$ 3,315.25	\$ 1,657.63
MISSOULA COUNTY	\$ 377,268.87	\$ 188,634.44
Missoula	\$ 86,612.15	\$ 43,306.08

(Continued)

FISCAL YEAR 1976

ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
MUSSELSHELL COUNTY	\$ 33,388.56	\$ 16,694.28
Melstone	\$ 710.56	\$ 355.28
Roundup	\$ 8,759.26	\$ 4,379.63
PARK COUNTY	\$ 85,145.13	\$ 42,572.57
Clyde Park	\$ 1,026.80	\$ 513.40
Livingston	\$ 26,960.40	\$ 13,480.20
PETROLEUM COUNTY	\$ 7,526.18	\$ 3,763.09
Winnett	\$ 771.80	\$ 385.90
PHILLIPS COUNTY	N/A	N/A
Dodson	N/A	N/A
Malta	N/A	N/A
Saco	N/A	N/A
PONDERA COUNTY	\$ 44,831.19	\$ 22,415.60
Conrad	\$ 20,217.20	\$ 10,108.60
Valier	\$ 4,169.60	\$ 2,084.80
POWDER RIVER COUNTY	\$ 27,020.57	\$ 13,510.29
Broadus	\$ 2,790.02	\$ 1,395.01
POWELL COUNTY	\$ 56,088.87	\$ 28,044.44
Deer Lodge	\$ 1,956.57	\$ 978.29
PRAIRIE COUNTY	\$ 16,520.21	\$ 8,260.11
Terry	\$ 3,464.18	\$ 1,732.09
RAVALLI COUNTY	\$ 138,259.83	\$ 69,129.92
Darby	\$ 901.37	\$ 450.69
Hamilton	\$ 5,846.93	\$ 2,923.47
Stevensville	\$ 1,878.20	\$ 939.10
RICHLAND COUNTY	\$ 99,748.85	\$ 49,874.43
Fairview	\$ 993.78	\$ 496.89
Sidney	\$ 2,239.86	\$ 1,119.93
ROOSEVELT COUNTY	\$ 46,555.13	\$ 23,277.57
Bainville	\$ 1,794.53	\$ 897.27
Brockton	\$ 1,488.57	\$ 744.29
Culbertson	\$ 8,618.91	\$ 4,309.46
Froid	\$ 2,788.16	\$ 1,394.08
Poplar	\$ 19,246.28	\$ 9,623.14
Wolf Point	\$ 39,524.05	\$ 19,762.03

(Continued)

FISCAL YEAR 1976

ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
ROSEBUD COUNTY	\$ 70,805.46	\$ 35,402.73
Forsyth	\$ 1,445.01	\$ 722.51
SANDERS COUNTY	\$ 55,771.33	\$ 27,885.67
Hot Springs	\$ 1,257.09	\$ 628.55
Plains	\$ 2,639.19	\$ 1,319.60
Thompson Falls	\$ 3,366.94	\$ 1,683.47
SHERIDAN COUNTY	\$ 58,822.63	\$ 29,411.32
Medicine Lake	\$ 1,444.31	\$ 722.16
Outlook	\$ 379.75	\$ 189.88
Plentywood	\$ 7,434.96	\$ 3,717.48
Westby	\$ 965.54	\$ 482.77
SILVER BOW COUNTY	\$ 202,285.35	\$ 101,142.68
Butte	\$ 67,321.53	\$ 33,660.77
Walkerville	\$ 3,773.85	\$ 1,886.93
STILLWATER COUNTY	\$ 47,338.20	\$ 23,669.35
Columbus	\$ 4,601.47	\$ 2,300.74
SWEET GRASS COUNTY	\$ 24,711.66	\$ 12,355.83
Big Timber	\$ 5,626.24	\$ 2,813.12
TETON COUNTY	\$ 62,914.38	\$ 31,457.19
Choteau	\$ 6,760.64	\$ 3,380.32
Dutton	\$ 1,528.50	\$ 764.25
Fairfield	\$ 2,972.78	\$ 1,486.39
TOOLE COUNTY	\$ 49,365.52	\$ 24,682.76
Kevin	\$ 962.96	\$ 481.48
Shelby	\$ 10,442.08	\$ 5,221.04
Sunburst	\$ 1,805.06	\$ 902.53
TREASURE COUNTY	\$ 11,942.80	\$ 5,971.40
Hysham	\$ 1,099.70	\$ 549.85
VALLEY COUNTY	\$ 83,839.69	\$ 41,924.85
Glasgow	\$ 15,892.77	\$ 7,946.39
Nashua	\$ 1,631.91	\$ 815.96
Opheim	\$ 792.34	\$ 396.17
WHEATLAND COUNTY	\$ 17,355.07	\$ 8,677.54
Harlowtown	\$ 4,451.07	\$ 2,225.54
Judith Gap	\$ 523.21	\$ 266.61

(Continued)

FISCAL YEAR 1976

ESTIMATES OF PROCEEDS OF MOTOR VEHICLE LICENSE PLATE FEE
(Maximum of 50%)

<u>Government Unit</u>	<u>State Fee</u>	<u>Local Fee</u>
WIBAUX COUNTY	\$ 15,236.12	\$ 7,618.06
Wibaux	\$ 3,356.87	\$ 1,678.44
YELLOWSTONE COUNTY	\$ 504,780.05	\$ 252,390.03
Billings	\$ 230,311.89	\$ 115,155.95
Broadview	\$ 603.94	\$ 301.97
Laurel	\$ 18,139.44	\$ 9,069.72
TOTAL:	\$ 6,064,212.53	\$ 3,032,107.04

STATE AID TO LOCAL GOVERNMENT

STATE REVENUE SHARING PROGRAM

Historically, local governments in Montana have received very little in the way of state aid. This situation has resulted from a prohibition found in the 1889 State Constitution. Article XII, Section 4, provided in part:

The legislative assembly shall not levy taxes upon the inhabitants or property in any county, city, town or municipal corporation for county, town or municipal purposes....

However, the provision did not prevent a trickle of state-raised revenues to reach Montana's local governments. In 1896, the Supreme Court drew a distinction between license taxes and property or general taxes. Since that time the state has shared the receipts from several license taxes with the local governments. These license taxes include motor vehicle license fees, gasoline, beer, liquor, and insurance for municipalities, and counties received a portion of the receipts from motor vehicle license fees, gasoline and liquor.

The distinction used to avoid the Constitutional prohibitions was that these revenues were being shared with local governments for state purposes rather than those of a local nature. Thus the purposes for which local governments could use the revenues were strictly controlled.

In 1971, a report prepared by the Montana Constitutional Convention Commission recommended that the Constitutional Convention delegates should consider the deletion or changing of those provisions of the Constitution that prohibit the use of state-raised funds by local governments. The 1972 Constitution article on the purposes of taxation states: "Taxes shall be levied by general laws for public purposes." This provision has cleared the way for the state to share more fully in the responsibility of financing local governments. However, the state has been slow to re-act.

The 1960's saw the widespread acceptance in other states of the principle that the state should assume a larger portion of the costs of schools and local governments. This trend was in response to the sharply rising property tax and was an attempt to make state and local tax systems more progressive by reducing their dependence on the property tax. Nationally, in 1961, property taxes accounted for 46% of all local tax collections, but in fiscal year 1975 they accounted for only 36.5%, a drop of 9.5%. In Montana the fiscal year 1975 property taxes amounted to 55% of all local revenues.

Local government expenditures in Montana are increasing rapidly -- as they are nationally. In fiscal year 1971, the direct general expenditures of local governments -- excluding schools -- exceeded \$100 million. In fiscal year 1975 that figure rose to \$188.6 million. Under the current system, such increases in local government

expenditures resulted in increased property taxes. The principal, and in some cases the only taxing power which Montana local governments have, is that of taxing real and personal property. At the local level, property taxes supply approximately 95% of the total tax revenues and about 64% of the total revenues raised locally -- well above the average of 46%.

The extraordinary importance of the property tax to local governments in Montana is traceable to the limited state financial aid programs for local governments and to the lack of authority to use significant non-property taxes, such as the local income tax. In fiscal year 1975, state aid to local governments in Montana accounted for only 17.3% of total local government revenues as compared to 30% nationally. In fact, the federal government provides \$7.6 million more revenue to Montana's local government than the state. This situation is not healthy in view of the constant changes made in federal priorities.

All money now received by local governments from the state is earmarked for specific purposes. There are only four states without revenue sharing programs for support of general local government. In 1973, the latest year for which national figures are available, Montana's total per capita spending on local government was only \$11.27 as compared to the U.S. average of \$75.01. In the area of general support the U.S. average was \$18.08 as compared to \$0.00 for Montana. For the mountain states area, including Idaho, Wyoming, Colorado, and Utah, Montana ranked fifth, Utah fourth with \$12.00 per capita, Idaho third at \$34.58, Wyoming second at \$52.08, and Colorado first at \$79.79.

Table 2 indicates the slow growth by the state to increase its revenues to local government. The majority of growth is the result of the additional revenues from the imposition of the coal tax. But, again the proceeds are controlled, with a majority of the funds going to those areas impacted by coal mining.

TABLE 1
PER CAPITA STATE AID TO LOCAL GOVERNMENTS BY MAJOR PURPOSE, 1972-1973

<u>State</u>	<u>Total</u>	<u>General Support</u>	<u>Highways</u>	<u>Public Welfare</u>	<u>Hospitals</u>	<u>All Other</u>
All States	75.01	18.08	12.69	33.47	0.71	10.06
Alabama	26.32	3.28	18.63	--	1.65	2.76
Alaska	57.70	37.92	--	--	0.29	19.49
Arizona	58.86	38.00	15.10	--	0.41	4.35
Arkansas	27.46	5.95	17.60	0.06	0.48	3.38
California	158.90	34.46	17.16	95.46	0.13	11.69
Colorado	79.79	--	15.61	58.90	0.32	4.96
Connecticut	44.32	4.68	4.55	5.01	0.07	30.01
Delaware	22.99	--	3.59	--	--	19.40
Florida	19.53	5.18	8.87	--	0.49	5.00
Georgia	27.94	3.41	9.29	7.31	0.76	7.17
Hawaii	24.26	24.04	--	--	--	0.22
Idaho	34.58	11.04	22.70	--	0.82	0.02
Illinois	49.73	7.50	17.60	18.71	0.04	5.88
Indiana	49.64	6.99	22.93	16.48	0.53	2.71
Iowa	64.56	29.48	30.99	0.15	0.18	3.76
Kansas	85.56	7.31	14.34	59.85	0.68	3.38
Kentucky	8.21	0.68	1.27	0.02	0.45	5.79
Louisiana	45.23	28.57	8.01	--	0.05	8.60
Maine	20.62	3.54	4.24	1.49	--	11.35
Maryland	106.37	11.58	27.75	45.88	0.18	20.98
Massachusetts	36.51	11.37	1.82	3.21	0.57	19.54
Michigan	72.09	24.48	27.86	8.46	1.43	9.86
Minnesota	168.57	70.48	18.97	70.89	0.72	7.51
Mississippi	47.77	23.74	17.13	--	1.21	5.69
Missouri	12.26	1.34	5.55	0.26	0.78	4.33
Montana	11.27	--	--	1.94	0.04	10.19
Nebraska	40.51	13.66	16.43	5.49	0.02	4.91
Nevada	46.93	22.86	19.56	0.11	0.28	4.12
New Hampshire	52.62	37.45	6.51	0.76	--	7.91
New Jersey	89.63	21.41	3.20	51.80	1.91	11.32
New Mexico	49.57	31.97	12.03	--	0.47	5.09
New York	225.33	41.08	6.78	152.64	0.29	24.55
North Carolina	46.44	9.43	2.40	28.84	1.05	4.72
North Dakota	72.39	37.43	24.28	3.92	0.09	6.70
Ohio	45.86	10.56	20.44	8.14	0.31	6.41
Oklahoma	31.60	2.20	23.00	0.20	0.31	5.89
Oregon	54.88	16.81	24.41	0.95	0.05	12.66
Pennsylvania	33.17	2.25	8.68	3.61	0.14	18.49
Rhode Island	27.92	10.86	0.40	11.60	0.10	4.96
South Carolina	27.99	12.60	5.33	--	1.41	8.65
South Dakota	17.15	4.11	5.24	0.18	0.13	7.51
Tennessee	30.75	9.04	17.01	0.10	1.28	3.33
Texas	2.67	0.36	0.63	--	0.35	1.33
Utah	12.00	0.89	6.09	--	0.06	4.97
Vermont	18.11	0.02	12.11	0.06	--	5.91
Virginia	49.43	3.67	4.30	30.69	1.97	8.80
Washington	44.69	7.58	24.17	1.34	0.47	11.13
West Virginia	2.50	--	--	0.42	0.10	1.98
Wisconsin	169.54	95.71	21.46	35.76	8.02	8.59
Wyoming	52.04	22.70	16.81	2.74	3.70	6.09

Source: U.S. Bureau of the Census, Census of Governments 1972, Volume 6, Topical Studies, No. 3 State Payments to Local Government, June 1974, pg. 12.

TABLE 2

ESTIMATES OF INTERGOVERNMENTAL REVENUES

<u>Title</u>	<u>Fiscal Year 1975</u>	<u>Fiscal Year 1976</u>
Liquor Tax Apportionment	\$ 1,406,348	\$ 1,475,084
Beer Tax Apportionment	\$ 975,678	\$ 1,035,097
Motor Vehicle License Plate Registration	\$ 5,860,726	\$ 6,446,798
Gasoline Tax	\$ 3,000,000	\$ 6,500,000
Insurance Premium Apportion- ment	\$ 1,500,000	\$ 1,600,000
Coal Tax	\$ 711,912	\$ 1,788,000
Solid Waste Disposal (Junk Vehicle)	\$ 474,465	\$ 498,660
State Payments in Lieu of Taxes on School Lands	\$ 160,000	\$ 160,000
County Attorney's Salary	\$ 316,109	\$ 350,000
County Health Services	\$ 105,000	\$ 130,000
Transportation and Board of Prisoners	\$ 42,500	\$ 47,192
TOTAL	\$14,552,738	\$20,030,831
PER CAPITA	\$19.72 ^a	\$26.80 ^b

SOURCE: State Commission on Local Government, Data from Departments of Revenue, Administration, Health and Environmental Services, Community Affairs, and Justice.

^aPopulation estimate for Fiscal Year 1975, 738,000, U. S. Census of Government Estimates.

^bPopulation estimate for Fiscal Year 1976, 748,000, U. S. Census of Government Estimates.

Distribution Formula

One of the primary goals in providing additional funding for local governments is fairness, or equity of burden. The redistribution of income should not be a local government function. It is the state's role to insure that the fiscal capacity and fiscal effort in a local government do not cause excessive financial advantage or disadvantage. The state has created local governments and has assigned responsibilities to them. It is the state's obligation to provide local governments the capability to perform these assigned tasks. If local resources are inadequate, the state should supplement them or suffer the consequences of inadequate service.

While state assistance, both administratively and in actual funds, may represent the fairest alternatives for local financial problems, it also tends to decrease local control and autonomy. It is possible to limit any loss of local control or autonomy by making state revenues as free of "strings" as possible.

A good state aid or revenue sharing program, while providing assistance to local governments, also has the effect of mitigating inter-local fiscal disparities.

Before selecting the formula recommended by the Commission, the Commission considered a number of different funding proposals including:

- (1) a simple per capita aid formula;
- (2) a point of origin of income tax collection formula; and
- (3) the federal revenue sharing formula.

The potential distribution for each formula is listed in Table 3.

The Commission has worked closely with the executive boards of the Montana League of Cities and Towns and the Montana Association of Counties in developing the distribution formula for a state general revenue sharing program. The recommendation for the distribution of state revenues in a general revenue sharing program is:

- (1) Sixty per cent of the money would be distributed among local governments on the basis of population, general tax effort, and relative income. These elements are to be used in the same manner as in the current federal general revenue sharing program.
- (2) The remaining money will be distributed on a per capita basis. For the purpose of this distribution, the population of the county shall be only those residents not living in an incorporated municipality.

The Commission recommends that the legislature appropriate \$12 million for each year of the 1977 biennium for a general revenue sharing program for local governments. The Department of Community

Affairs will be responsible for making the necessary calculations for the allocation of the money for the program. It will also distribute the money on a quarterly basis beginning October 31, 1977.

The Commission strongly recommends that the use of the money received by local governments from the revenue sharing program be totally discretionary on the part of local governments. This policy follows one of the major principals of the proposed local government code. That is, maximum local government flexibility and responsibility.

Table 3 illustrates the estimated allocations for the program. The allocations are based on funding of \$12 million and a minimum grant of \$200.

TABLE 3

STATE REVENUE SHARING DISTRIBUTIONS
(Based on 1977 State Income Tax Estimates)

Government Unit	1970 Population	1975 Taxes ^a	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
BEAVERHEAD COUNTY					
Dillon	3,288	\$ 635,167	\$ 61,074		\$ 112,800
Lima	4,548	\$ 154,876	\$ 85,504		\$ 24,000
area total	351	\$ 5,073	\$ 12,215	\$ 97,718	\$ 1,200
	8,187	\$ 795,116	\$ 158,793		\$ 138,000
BIG HORN COUNTY					
Hardin	6,518	\$ 841,448	\$ 109,933		\$ 138,000
Lodge Grass	2,733	\$ 179,885	\$ 48,859		\$ 15,600
area total	806	\$ 15,627	\$ 12,215	\$ 219,866	\$ 7,200
	10,057	\$ 1,036,960	\$ 171,007		\$ 159,600
BLAINE COUNTY					
Chinook	3,820	\$ 728,755	\$ 61,074		\$ 134,400
Harlem	1,813	\$ 106,310	\$ 36,644		\$ 9,600
area total	1,094	\$ 44,798	\$ 24,430	\$ 73,289	\$ 7,200
	6,727	\$ 879,863	\$ 122,148		\$ 151,200
BROADWATER COUNTY					
Townsend	1,155	\$ 224,742	\$ 24,430		\$ 51,600
area total	1,371	\$ 115,163	\$ 24,430	\$ 36,644	\$ 13,200
	2,526	\$ 339,905	\$ 48,860		\$ 69,800
CARBON COUNTY					
Bearcreek	3,712	\$ 730,529	\$ 61,074		\$ 154,800
Bridger	31	\$ 1,779	---		\$ 1,200
Fromberg	717	\$ 36,175	\$ 12,215		\$ 8,400
Joliet	364	\$ 18,507	\$ 12,215		\$ 1,200
Red Lodge	412	\$ 17,899	\$ 12,215		\$ 2,400
area total	1,844	\$ 105,599	\$ 36,644	\$ 97,718	\$ 16,800
	7,080	\$ 910,488	\$ 134,363		\$ 184,800
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
CARTER COUNTY Ekalaka area total	1,293 663 1,956	\$ 622,976 \$ 25,809 \$ 648,785	\$ 24,430 \$ 12,215 \$ 36,645	\$ 36,644	\$ 48,000 \$ 2,400 \$ 50,400
CASCADE COUNTY Belt Cascade Great Falls Neihart area total	20,234 656 714 60,091 109 81,804	\$ 3,907,615 \$ 34,651 \$ 28,247 \$ 3,210,492 \$ 1,530 \$ 7,182,535	\$ 354,229 \$ 12,215 \$ 12,215 \$ 1,062,688 \$ --- \$ 1,441,347	\$ 1,209,265	\$ 622,800 \$ 3,600 \$ 6,000 \$ 607,200 \$ 1,200 \$ 1,203,600
CHOTEAU COUNTY Big Sandy Fort Benton Geraldine area total	3,413 827 1,863 370 6,473	\$ 806,756 \$ 27,907 \$ 160,773 \$ 27,513 \$ 1,022,949	\$ 61,074 \$ 12,215 \$ 36,644 \$ 12,215 \$ 122,148	\$ 219,866	\$ 109,200 \$ 4,800 \$ 8,400 \$ 2,400 \$ 124,800
CUSTER COUNTY Ismay Miles City area total	3,111 40 9,023 12,174	\$ 1,304,087 \$ 274 \$ 494,806 \$ 1,799,167	\$ 48,859 \$ --- \$ 158,792 \$ 207,651	\$ 232,081	\$ 138,000 \$ 1,200 \$ 74,400 \$ 213,600
DANIELS COUNTY Flaxville Scobey area total	1,412 185 1,486 3,083	\$ 297,852 \$ 5,563 \$ 72,523 \$ 375,938	\$ 24,430 \$ --- \$ 24,430 \$ 48,860	\$ 73,289	\$ 56,400 \$ 1,200 \$ 8,400 \$ 67,200
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
DAWSON COUNTY					
Glendive	4,575	\$ 837,327	\$ 85,504		\$ 112,800
Richey	6,305	\$ ---	\$ 109,933		\$ 43,200
area total	389	\$ 16,061	\$ 12,215		\$ 2,400
	11,269	\$ 853,388	\$ 207,652	\$ 219,866	\$ 158,400
DEER LODGE COUNTY					
Anaconda	5,881	\$ 1,034,115	\$ 97,718		\$ 230,400
area total	9,771	\$ 486,647	\$ 171,007		\$ 130,800
	15,652	\$ 1,520,762	\$ 268,725	\$ 232,081	\$ 361,200
FALLON COUNTY					
Baker	1,277	\$ 803,534	\$ 24,430		\$ 90,000
Plevna	2,584	\$ 138,466	\$ 48,859		\$ 14,400
area total	189	\$ 3,421	\$ ---		\$ 1,200
	4,050	\$ 945,421	\$ 73,289	\$ 61,074	\$ 105,600
FERGUS COUNTY					
Denton	5,186	\$ 1,014,628	\$ 85,504		\$ 188,400
Grass Range	398	\$ 27,420	\$ 12,215		\$ 3,600
Lewistown	181	\$ 3,419	\$ ---		\$ 1,200
Moore	6,437	\$ 396,144	\$ 109,933		\$ 67,200
Winifred	219	\$ 3,820	\$ ---		\$ 1,200
area total	190	\$ 3,033	\$ ---		\$ 1,200
	12,611	\$ 1,448,464	\$ 207,652	\$ 207,652	\$ 262,800
FLATHEAD COUNTY					
Columbia Falls	22,933	\$ 2,714,178	\$ 403,088		\$ 458,400
Kalispell	2,652	\$ 152,199	\$ 48,859		\$ 31,200
Whitefish	10,526	\$ 960,767	\$ 183,222		\$ 102,000
area total	3,349	\$ 330,814	\$ 61,074		\$ 49,200
	39,460	\$ 4,157,958	\$ 696,243	\$ 635,170	\$ 640,800
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
GALLATIN COUNTY	9,768	\$ 1,774,977	\$ 171,007		\$ 282,000
Belgrade	1,307	\$ 44,846	\$ 24,430		\$ 9,600
Bozeman	18,670	\$ 1,014,442	\$ 329,800		\$ 154,800
Manhattan	816	\$ 41,341	\$ 12,215		\$ 10,800
Three Forks	1,188	\$ 53,238	\$ 24,430		\$ 8,400
W. Yellowstone	756	\$ 78,557	\$ 12,215		\$ 6,000
area total	32,505	\$ 3,007,401	\$ 574,097	\$ 488,592	\$ 470,400
GARFIELD COUNTY	1,267	\$ 675,164	\$ 24,430		\$ 45,600
Jordan	529	\$ 9,145	\$ 12,215		\$ 2,400
area total	1,796	\$ 684,309	\$ 36,645	\$ 24,430	\$ 48,000
GLACIER COUNTY	5,079	\$ 1,070,446	\$ 85,504		\$ 144,000
Browning	1,700	\$ 33,287	\$ 24,430		\$ 10,800
Cut Bank	4,004	\$ 214,091	\$ 73,289		\$ 16,800
area total	10,783	\$ 1,317,824	\$ 183,223	\$ 122,148	\$ 171,600
GOLDEN VALLEY COUNTY	501	\$ 167,920	\$ ---		\$ 22,800
Lavina	169	\$ 6,294	\$ ---		\$ 1,200
Ryegate	261	\$ 6,434	\$ ---		\$ 1,200
area total	931	\$ 180,648	\$ ---	\$ 12,215	\$ 25,200
GRANITE COUNTY	1,115	\$ 282,220	\$ 24,430		\$ 60,000
Drummond	494	\$ 15,629	\$ 12,215		\$ 2,400
Phillipsburg	1,128	\$ 49,061	\$ 24,430		\$ 8,400
area total	2,737	\$ 346,910	\$ 61,075	\$ 24,430	\$ 70,800
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
HILL COUNTY					
Havre	6,538	\$ 983,548	\$ 109,933		\$ 184,800
Hingham	10,558	\$ 640,402	\$ 183,222		\$ 98,400
area total	262	\$ 5,960	---		\$ 2,400
	17,358	\$ 1,629,910	\$ 293,155	\$ 390,874	\$ 285,600
JEFFERSON COUNTY					
Boulder	2,861	\$ 321,684	\$ 48,859		\$ 91,200
Whitehall	1,342	\$ 31,534	\$ 24,430		\$ 10,800
area total	1,035	\$ 31,305	\$ 12,215		\$ 6,000
	5,238	\$ 384,523	\$ 85,504	\$ 73,289	\$ 108,000
JUDITH BASIN COUNTY					
Hobson	1,970	\$ 403,120	\$ 36,644		\$ 63,600
Stanford	192	\$ 13,611	---		\$ 1,200
area total	505	\$ 41,028	\$ 12,215		\$ 4,800
	2,667	\$ 457,759	\$ 48,859	\$ 122,148	\$ 69,600
LAKE COUNTY					
Polson	9,709	\$ 1,087,779	\$ 171,007		\$ 266,400
Ronan	2,464	\$ 167,564	\$ 48,859		\$ 28,800
St. Ignatius	1,347	\$ 101,876	\$ 24,430		\$ 18,000
area total	925	\$ 26,005	\$ 12,215		\$ 6,000
	14,445	\$ 1,383,224	\$ 256,511	\$ 134,363	\$ 318,000
LEWIS & CLARK COUNTY					
East Helena	8,900	\$ 2,312,812	\$ 158,792		\$ 268,800
Helena	1,651	\$ 140,909	\$ 24,430		\$ 18,000
area total	22,730	\$ 1,411,930	\$ 403,088		\$ 163,200
	33,281	\$ 3,865,651	\$ 586,310	\$ 696,244	\$ 450,000
LIBERTY COUNTY					
Chester	1,423	\$ 394,750	\$ 24,430		\$ 51,600
area total	936	\$ 71,363	\$ 12,215		\$ 9,600
	2,359	\$ 466,113	\$ 36,645	\$ 85,504	\$ 61,200
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
LINCOLN COUNTY	12,293	\$ 532,184	\$ 219,866		\$ 109,200
Eureka	1,195	\$ 33,219	\$ 24,430		\$ 7,200
Libby	3,286	\$ 214,991	\$ 61,074		\$ 27,600
Rexford	243	\$ ---	\$ ---		\$ ---
Troy	1,046	\$ 31,499	\$ 24,430		\$ 4,800
area total	18,063	\$ 811,893	\$ 329,800	\$ 280,940	\$ 148,800
MADISON COUNTY	3,115	\$ 745,333	\$ 48,859		\$ 80,400
Ennis	501	\$ 30,618	\$ 12,215		\$ 2,400
Sheridan	636	\$ 31,830	\$ 12,215		\$ 2,400
Twin Bridges	613	\$ 42,799	\$ 12,215		\$ 4,800
Virginia City	149	\$ 8,717	\$ ---		\$ 1,200
area total	5,014	\$ 859,297	\$ 85,504	\$ 48,859	\$ 91,200
McCONE COUNTY	1,911	\$ 552,943	\$ 36,644		\$ 49,200
Circle	964	\$ 47,755	\$ 12,215		\$ 4,800
area total	2,875	\$ 600,698	\$ 48,859	\$ 48,859	\$ 54,000
MEAGHER COUNTY	922	\$ 298,476	\$ 12,215		\$ 46,800
White Sulphur Spgs.	1,200	\$ 42,815	\$ 24,430		\$ 8,400
area total	2,122	\$ 341,291	\$ 36,645	\$ 24,430	\$ 55,200
MINERAL COUNTY	1,602	\$ 256,912	\$ 24,430		\$ 42,000
Alberton	363	\$ 25,257	\$ 12,215		\$ 3,600
Superior	993	\$ 43,287	\$ 12,215		\$ 9,600
area total	2,958	\$ 325,456	\$ 48,860	\$ 36,644	\$ 55,200
(Continued)					

STATE REVENUE SHARING DISTRIBUTION

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Tye Formula
MISSOULA COUNTY					
Missoula	28,766	\$ 3,322,723	\$ 500,807		\$ 420,000
area total	29,497	\$ 2,851,670	\$ 513,022	\$ 989,399	\$ 266,400
	58,263	\$ 6,174,393	\$ 1,013,829		\$ 686,400
MUSSELSHELL COUNTY					
Melstone	1,391	\$ 324,255	\$ 24,430		\$ 67,200
Roundup	227	\$ 5,343	---		\$ 3,600
area total	2,116	\$ 140,262	\$ 36,644	\$ 48,859	\$ 26,400
	3,734	\$ 469,860	\$ 61,074		\$ 97,200
PARK COUNTY					
Clyde Park	4,070	\$ 639,272	\$ 73,289		\$ 147,600
Livingston	244	\$ 6,885	---		\$ 1,200
area total	6,883	\$ 540,209	\$ 122,148	\$ 158,792	\$ 74,400
	11,197	\$ 1,186,366	\$ 195,437		\$ 223,200
PETROLEUM COUNTY					
Winnett	404	\$ 53,761	\$ 12,215		\$ 15,600
area total	271	\$ 11,025	\$ 12,215	\$ 12,215	\$ 2,400
	675	\$ 64,786	\$ 12,215		\$ 18,000
PHILLIPS COUNTY					
Dodson	2,639	\$ 566,665	\$ 48,859		\$ 111,600
Malta	196	\$ 6,595	---		\$ 1,200
Saco	2,195	\$ 137,380	\$ 36,644		\$ 21,600
area total	356	\$ 5,838	\$ 12,215	\$ 85,504	\$ 3,600
	5,386	\$ 716,478	\$ 97,718		\$ 138,000
(Continued)					

STATE REVENUE SHARING DISTRIBUTION

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
PONDERA COUNTY	3,190	\$ 803,968	\$ 48,859		\$ 134,000
Conrad	2,770	\$ 199,329	\$ 48,859		\$ 24,000
Valier	651	\$ 25,908	\$ 12,215		\$ 36,000
area total	6,611	\$ 1,029,205	\$ 109,933	\$ 146,578	\$ 162,000
POWDER RIVER COUNTY	2,063	\$ 1,100,971	\$ 36,644		\$ 67,200
Broadus	799	\$ 45,887	\$ 12,215		\$ 7,200
area total	2,862	\$ 1,146,858	\$ 48,859	\$ 24,430	\$ 94,400
POWELL COUNTY	2,354	\$ 751,111	\$ 36,644		\$ 69,600
Deer Lodge	4,306	\$ 118,043	\$ 73,289		\$ 18,000
area total	6,660	\$ 869,154	\$ 109,933	\$ 97,718	\$ 87,600
PRAIRIE COUNTY	882	\$ 356,766	\$ 12,215		\$ 39,600
Terry	870	\$ 50,410	\$ 12,215		\$ 4,800
area total	1,752	\$ 407,176	\$ 24,430	\$ 24,430	\$ 44,400
RAVALLI COUNTY	10,543	\$ 893,025	\$ 183,222		\$ 235,200
Darby	538	\$ 18,110	\$ 12,215		\$ 6,000
Hamilton	2,499	\$ 162,499	\$ 48,859		\$ 32,400
Stevensville	829	\$ ---	\$ 12,215		\$ 108,000
area total	14,409	\$ 1,073,634	\$ 256,511	\$ 183,222	\$ 381,600
RICHLAND COUNTY	4,338	\$ 1,148,750	\$ 73,289		\$ 182,400
Fairview	956	\$ 17,814	\$ 12,215		\$ 10,800
Sidney	4,543	\$ 155,585	\$ 85,504		\$ 31,200
area total	9,837	\$ 1,322,149	\$ 171,008	\$ 171,007	\$ 224,400
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Ty Formula
ROOSEVELT COUNTY	4,112	\$ 730,372	\$ 73,289		\$ 142,80
Bainville	217	\$ 4,216	\$ ---		\$ 1,20
Brockton	401	\$ 5,031	\$ 12,215		\$ 1,20
Culbertson	821	\$ 29,092	\$ 12,215		\$ 7,20
Froid	330	\$ 14,860	\$ ---		\$ 2,40
Poplar	1,389	\$ 77,438	\$ 24,430		\$ 8,40
Wolf Point	3,095	\$ 185,288	\$ 48,859		\$ 22,80
area total	10,365	\$ 1,046,297	\$ 171,008	\$ 171,007	\$ 186,00
ROSEBUD COUNTY	4,159	\$ 924,589	\$ 73,289		\$ 100,80
Forsyth	1,873	\$ 103,073	\$ 36,644		\$ 9,60
area total	6,032	\$ 1,027,662	\$ 109,933	\$ 158,792	\$ 110,40
SANDERS COUNTY	4,027	\$ 624,867	\$ 73,289		\$ 132,00
Hot Springs	664	\$ 20,275	\$ 12,215		\$ 3,60
Plains	1,046	\$ 78,598	\$ 12,215		\$ 13,20
Thompson Falls	1,356	\$ 57,823	\$ 24,430		\$ 4,80
area total	7,093	\$ 781,563	\$ 122,149	\$ 73,289	\$ 153,60
SHERIDAN COUNTY	2,565	\$ 604,948	\$ 48,859		\$ 69,60
Medicine Lake	393	\$ 17,463	\$ 12,215		\$ 4,80
Outlook	153	\$ 2,247	\$ ---		\$ 1,20
Plentywood	2,381	\$ ---	\$ 36,644		\$ 12,00
Westby	287	\$ 14,138	\$ ---		\$ 2,40
area total	5,779	\$ 638,796	\$ 97,718	\$ 171,007	\$ 90,00
(Continued)					

STATE REVENUE SHARING DISTRIBUTION

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Type Formula
SILVER BOW COUNTY					
Butte	17,516	\$ 4,405,709	\$ 305,370		\$ 607,200
Walkerville	23,368	\$ 1,321,944	\$ 415,303		\$ 195,600
area total	41,981	\$ 5,749,258	\$ 745,103	\$ 879,466	\$ 810,000
STILLWATER COUNTY					
Columbus	3,459	\$ 406,526	\$ 61,074		\$ 84,000
area total	1,173	\$ 85,969	\$ 24,430	\$ 73,289	\$ 12,000
	4,632	\$ 492,495	\$ 85,504		\$ 96,000
SWEET GRASS COUNTY					
Big Timber	1,388	\$ 393,752	\$ 24,430		\$ 56,400
area total	1,592	\$ 72,841	\$ 24,430	\$ 36,644	\$ 12,000
	2,980	\$ 466,593	\$ 48,860		\$ 68,400
TETON COUNTY					
Choteau	3,477	\$ 878,854	\$ 61,074		\$ 124,800
Dutton	1,586	\$ 69,004	\$ 24,430		\$ 8,400
Fairfield	415	\$ 27,031	\$ 12,215		\$ 2,400
area total	638	\$ 47,569	\$ 12,215		\$ 8,400
	6,116	\$ 1,022,458	\$ 109,934	\$ 109,933	\$ 144,000
TOOLE COUNTY					
Kevin	1,874	\$ 938,386	\$ 36,644		\$ 132,000
Shelby	250	\$ 8,881	\$ ---		\$ 1,200
Sunburst	3,111	\$ 129,421	\$ 48,859		\$ 18,000
area total	604	\$ 25,036	\$ 24,430	\$ 122,148	\$ 2,400
	5,839	\$ 1,101,724	\$ 109,933		\$ 152,400
(Continued)					

STATE REVENUE SHARING DISTRIBUTIONS

Government Unit	1970 Population	1975 Taxes	Per Capita Aid Formula	Point of Origin Formula	Federal Ty Formula
TREASURE COUNTY					
Hysham	696	\$ 163,550	\$ 12,215		\$ 19,20
area total	373	\$ 34,071	\$ 12,215	\$ 24,430	\$ 6,00
	1,069	\$ 197,621	\$ 24,430		\$ 24,20
VALLEY COUNTY					
Glasgow	5,952	\$ 937,908	\$ 109,933		\$ 192,00
Nashua	4,700	\$ 344,019	\$ 85,504		\$ 52,80
Opheim	513	\$ 33,107	\$ 12,215		\$ 3,60
area total	306	\$ 11,522	\$ 12,215		\$ 2,40
	11,471	\$ 1,326,556	\$ 219,867	\$ 207,652	\$ 252,00
WHEATLAND COUNTY					
Harlowton	994	\$ 297,209	\$ 12,215		\$ 52,80
Judith Gap	1,375	\$ 61,987	\$ 24,430		\$ 12,00
area total	160	\$ 2,121	\$ --	\$ 36,644	\$ 1,20
	2,529	\$ 361,317	\$ 36,645		\$ 66,00
WIBAUX COUNTY					
Wibaux	821	\$ 553,211	\$ 12,215		\$ 34,80
area total	644	\$ 40,802	\$ 12,215		\$ 2,40
	1,465	\$ 594,013	\$ 24,430	\$ 24,430	\$ 37,20
YELLOWSTONE COUNTY					
Billings	21,209	\$ 4,650,156	\$ 378,659		\$ 661,20
Broadview	61,581	\$ 4,639,844	\$ 1,087,117		\$ 666,00
Laurel	123	\$ 5,994	\$ --		\$ 1,20
area total	4,454	\$ 263,478	\$ 73,289	\$ 1,893,294	\$ 40,80
	87,367	\$ 9,559,472	\$ 1,539,065		\$ 1,369,20
GRAND TOTAL	694,345	\$79,406,490	\$12,202,601	\$12,190,371	\$12,214,80

a. Source: State Commission on Local Government Data

TABLE 4

60/40 REVENUE SHARING FORMULA

RECOMMENDED BY THE STATE COMMISSION ON LOCAL GOVERNMENT

\$12 MILLION TOTAL ALLOCATION

COUNTY/CITY	60% ALLOCATION	40% ALLOCATION	TOTAL ALLOCATION
BEAVERHEAD COUNTY	85900.11	54164.47	140064.58
DILLON CITY	13942.95	30368.42	44311.27
LINE TOWN	675.00	2250.00	2925.00
COUNTY GOVERNMENT	71282.23	21545.05	92826.31
BIG Horn COUNTY	141636.65	68019.74	209656.39
HAPPIN CITY	20166.44	18151.32	38317.76
LOGAN SPRING TOWN	2657.70	5552.63	11210.33
COUNTY GOVERNMENT	119841.50	44315.79	164157.29
BLAINE COUNTY	58905.26	45473.68	144378.95
CHINOOK CITY	10210.95	10527.63	21138.48
HELENA CITY	7131.63	7703.95	14835.57
COUNTY GOVERNMENT	81562.79	26642.11	108204.99
BROADWATER COUNTY	38863.22	17868.42	56732.64
TOWNSEND CITY	10366.88	4997.37	20064.25
COUNTY GOVERNMENT	28506.94	8171.03	36677.95
CARBON COUNTY	89700.07	49756.58	139456.65
BEAVER CREEK TOWN	143.02	217.11	360.13
BRIDGER TOWN	3748.62	5065.79	8814.41
PROVERO TOWN	765.79	2552.63	3318.42
JULIET TOWN	1704.01	2527.63	4631.64
RED LODGE CITY	12185.20	11875.10	24060.30
COUNTY GOVERNMENT	72158.72	26355.26	98513.99
CARTER COUNTY	24274.84	12368.42	36643.26
WALLA TOWN	1430.61	3580.26	5410.88
COUNTY GOVERNMENT	22844.23	8388.16	31232.39
CASCADE COUNTY	651178.95	557328.95	1248507.90
BELT CITY	5103.62	4315.79	9419.41
CASCADE TOWN	3023.75	4650.79	7724.54
GREAT FALLS CITY	337159.12	408169.47	745928.59
NEPHEW TOWN	544.98	736.84	1281.82
COUNTY GOVERNMENT	345258.49	138796.05	484054.55
CHOUTEAU COUNTY	50870.54	40861.84	91732.38
BIG SANDY TOWN	1661.77	5203.95	6865.72
FOOT BUTTE CITY	5267.84	12177.63	17445.47
GRAND LACINE TOWN	1239.45	2434.21	3173.66
COUNTY GOVERNMENT	42651.97	21046.05	63698.03
CUSTER COUNTY	160332.20	77668.16	238220.35
TEMA TOWN	78.55	263.16	341.71
MILES CITY CITY	51863.25	59000.00	110863.25
COUNTY GOVERNMENT	106450.00	18625.00	127075.00
DANIELS COUNTY	40259.24	20269.74	60529.98
FAIRVIEW CITY	776.58	1217.11	1993.69
SCOTSEY CITY	6284.97	5789.47	12074.45
COUNTY GOVERNMENT	35198.29	9263.16	42461.45
DAWSON COUNTY	115026.42	72078.95	187105.37
PLENTOVE CITY	23196.42	9040.53	32236.95
RICHIEY TOWN	1675.81	2473.68	4149.49
COUNTY GOVERNMENT	83149.19	29144.74	114292.93
DEER LODGE COUNTY	203208.78	102506.58	305715.36
ANDERSON CITY	81104.21	55026.32	146130.52
COUNTY GOVERNMENT	122104.57	37480.26	159584.84
FALLON COUNTY	52720.23	25664.47	81484.70
POWER CITY	8171.33	1690.26	2484.60
PLEASANT TOWN	344.95	1131.58	1476.53
COUNTY GOVERNMENT	47107.95	8052.63	55160.58

60/40 REVENUE SHARING FORMULA

COUNTY/CITY	ALLOCATION	ALLOCATION	ALLOCATION
FERGUS COUNTY	133946.80	83164.47	217111.27
DENISON TOWN	2123.33	2611.84	4735.17
GLASS RANGE TOWN	359.71	1197.37	1556.56
LEWISTOWN CITY	32703.72	42723.68	75427.40
MCKEETOWN	434.21	1447.37	1381.38
WINIFRED TOWN	378.95	1263.16	1622.11
COUNTY GOVERNMENT	97947.38	33521.75	131868.43
FLATHEAD COUNTY	442793.26	275427.63	718220.90
COLUMBIA FALLS CITY	27154.45	14622.37	44016.82
KALISPEL CITY	84266.68	71677.63	155944.32
KATIEBUSH CITY	30358.89	32249.64	53207.57
COUNTY GOVERNMENT	300779.24	164078.55	469052.19
GALLATIN COUNTY	300405.13	236460.53	536865.66
BELGRADE TOWN	6003.89	10835.53	17739.41
BUTTE CITY	108637.46	128573.69	235611.15
GALATIEN TOWN	5132.37	5848.16	11804.06
THREE FORKS TOWN	753.29	1138.16	1271.39
WEST YELLOWSTONE TOWN	3807.05	5506.58	9313.63
COUNTY GOVERNMENT	172668.12	77157.89	250126.02
GARFIELD COUNTY	25610.37	11500.00	37110.37
JEROME TOWN	1046.13	3467.11	4507.24
COUNTY GOVERNMENT	24570.24	8032.89	32603.13
GLACIER COUNTY	165373.83	75401.32	241775.14
BROWNS TOWN	13165.76	13210.53	26376.29
BUTTE CITY	26699.65	26699.65	55257.34
COUNTY GOVERNMENT	124508.42	35531.89	160041.51
GOLDEN VALLEY COUNTY	10156.62	6111.54	16270.46
LEAVENWORTH TOWN	325.66	1055.53	1611.19
REYNOLDS TOWN	311.13	1793.32	2215.12
COUNTY GOVERNMENT	9821.77	3322.67	12644.14
GRANITE COUNTY	35154.75	17723.68	52918.48
DEWATER TOWN	1218.19	3125.00	4345.19
PHILIPSBURG CITY	4715.70	7032.89	11748.63
COUNTY GOVERNMENT	29620.87	7565.79	36620.65
HILL COUNTY	168544.56	116210.53	284755.08
HEVRE CITY	55075.62	70072.37	125151.99
HINGHAM TOWN	753.29	1657.89	2411.18
COUNTY GOVERNMENT	112711.65	44480.26	157151.91
JEFFERSON COUNTY	58074.65	42407.89	100482.54
ROBERTS TOWN	6845.07	5982.26	16529.35
WILKESVILLE TOWN	3920.87	7796.05	11716.32
COUNTY GOVERNMENT	47204.70	24631.98	71836.28
JUDITH BASIN COUNTY	39045.78	17355.26	56401.04
HOBBS TOWN	1456.60	1772.92	1772.92
STANFORD TOWN	3118.61	3775.00	6464.61
COUNTY GOVERNMENT	35429.57	12703.95	48133.52
LAKE COUNTY	213355.64	104703.65	318055.54
POLOPN CITY	15524.23	16593.45	40574.33
RURAL CITY	14151.22	10451.95	24605.37
ST IGNATIUS TOWN	4755.80	6611.64	11367.54
COUNTY GOVERNMENT	170824.19	70684.21	241568.40
LEWIS CLARK COUNTY	263750.03	237052.63	505842.66
EAST HELENA CITY	15326.11	11750.00	27076.11
HELENA CITY	96162.94	166828.37	263088.30
COUNTY GOVERNMENT	157277.99	58480.26	215756.25
LIBERTY COUNTY	30371.65	15763.16	46134.81
CHESTER TOWN	4200.63	1675.32	1675.32
COUNTY GOVERNMENT	26072.02	9486.84	35558.87
LINCOLN COUNTY	62210.85	116592.11	198811.11
EUREKA TOWN	4012.14	8302.63	12314.77
LIBBY CITY	18151.13	20522.63	38708.75
TRY TOWN	3221.63	6690.79	9952.47
PEARSON TOWN	455.02	1519.74	1975.66
COUNTY GOVERNMENT	56308.98	75208.32	135855.29

60/40 REVENUE SHARING FORMULA

COUNTY/CITY	60% ALLOCATION	40% ALLOCATION	TOTAL ALLOCATION
MCCONE COUNTY	28751.05	18559.21	47310.26
DARTMOUTH TOWN	2459.61	6256.05	8715.66
COUNTY GOVERNMENT	26291.44	12293.16	38584.61
MADISON COUNTY	50894.03	36032.89	86926.92
MADISON TOWN	1377.83	4509.11	5886.94
MADISON TOWN	1377.83	4509.11	5886.94
MADISON TOWN	1377.83	4509.11	5886.94
COUNTY GOVERNMENT	47518.37	32014.67	79533.04
MEAGHER COUNTY	30880.16	14046.45	44926.61
WHITE SULPHUR SPRING CITY	4152.06	12314.82	16466.88
COUNTY GOVERNMENT	26728.10	5664.21	32392.31
MINERAL COUNTY	35325.33	22592.11	57917.44
ALBERTON TOWN	2745.73	5473.41	8219.14
SUPERIOR TOWN	4500.35	11529.30	16029.65
COUNTY GOVERNMENT	28079.25	12589.40	40668.65
MISSOULA COUNTY	463503.92	416276.32	879780.24
MISSOULA CITY	187592.96	203230.26	390823.22
COUNTY GOVERNMENT	275910.96	213046.05	488957.01
MUSSELSHELL COUNTY	53456.05	26894.74	80350.79
WELLS TOWN	855.13	1697.37	2552.50
ROUNDUP CITY	17091.83	15054.47	32146.30
COUNTY GOVERNMENT	49559.09	5532.89	55091.98
PARK COUNTY	103419.27	77743.42	181162.69
CLYDE PARK TOWN	585.46	1828.55	2414.01
LIVINGSTON CITY	49747.29	46055.53	95802.82
COUNTY GOVERNMENT	62066.52	27623.95	89690.47
PETROLEUM COUNTY	7638.80	4375.00	12013.80
TOWNE CITY	1026.35	1651.32	2677.67
COUNTY GOVERNMENT	6612.45	2723.68	9336.15
PHILLIPS COUNTY	74966.87	34440.79	109407.66
ROCKSPRING TOWN	617.04	1256.58	1873.62
MILITA CITY	11340.20	11340.20	22680.40
SAND TOWN	655.26	2184.21	2839.47
COUNTY GOVERNMENT	62354.37	26559.80	88914.17
PONDERA COUNTY	99417.65	46973.68	146391.33
CONRAD CITY	15486.59	19223.68	34710.27
VALIER TOWN	3130.21	4565.79	7696.00
COUNTY GOVERNMENT	78800.85	23184.21	101985.06
POWDER RIVER COUNTY	32510.53	14547.37	47057.90
BROOKS TOWN	1501.32	1501.32	3002.64
COUNTY GOVERNMENT	31009.21	13046.05	44055.26
POWELL COUNTY	50964.42	45861.58	96826.00
DEER LODGE CITY	10881.26	25736.84	36618.10
COUNTY GOVERNMENT	40083.16	16144.74	56227.90
PRAIRIE COUNTY	26658.06	12256.58	38914.64
TESA CITY	3253.54	6078.95	9332.49
COUNTY GOVERNMENT	23404.52	6177.63	29582.15
RAVALLI COUNTY	163470.57	113361.84	276832.41
DARTMOUTH TOWN	2312.64	4566.05	6878.69
HAMILTON CITY	20274.85	16769.74	37044.59
STEVENSVILLE TOWN	6920.75	6630.26	13551.01
COUNTY GOVERNMENT	135962.33	86655.79	222618.12
RICHMOND COUNTY	140502.14	64558.68	205060.82
FAIRVIEW CITY	6483.69	6175.00	12658.69
SIDNEY CITY	19325.88	25473.42	44799.30
COUNTY GOVERNMENT	118692.57	26509.26	145201.83
ROOSEVELT COUNTY	131107.72	67526.32	198634.04
RAVALLI TOWN	710.81	1396.16	2106.97
BROCKTON TOWN	111.50	847.39	958.89
CULBERTSON TOWN	3644.57	2742.89	6387.46
FRODO TOWN	2408.53	2678.55	5087.08
POPLAR CITY	7862.04	8060.26	15922.30
WOLF POINT CITY	19671.30	20671.05	40342.35
COUNTY GOVERNMENT	93932.97	25302.63	119235.60

60/40 REVENUE SHARING FORMULA

COUNTY/CITY	60% ALLOCATION	40% ALLOCATION	TOTAL ALLOCATION
ROSEBUD COUNTY	98647.70	45355.26	144002.96
ROSSIGNOL CITY	13492.70	12093.68	25586.38
COUNTY GOVERNMENT	89165.50	33256.98	121422.08
SANDERS COUNTY	87714.68	50157.89	137872.57
OT SPRINGS TOWN	2760.31	4263.16	7023.46
PLAIN TOWN	7556.00	7375.00	15311.00
THOMPSON FALLS TOWN	5738.64	9546.05	15544.69
COUNTY GOVERNMENT	71155.53	28973.68	100133.22
SHERIDAN COUNTY	62692.07	36526.32	99218.39
MEDICINE LAKE TOWN	1307.77	2385.16	3692.92
OUTLOOK TOWN	286.13	553.65	1240.13
PLEASANTWOOD CITY	8249.42	15202.63	23552.05
PLEASANT TOWN	1413.70	1801.84	3215.54
COUNTY GOVERNMENT	51255.01	16519.74	67774.74
SILVER BOW COUNTY	464774.70	283258.05	750075.55
BUTTE CITY	107066.64	151703.55	258770.59
WALKERVILLE CITY	10662.52	7123.00	10087.22
COUNTY GOVERNMENT	354750.34	126467.11	481217.45
STILLWATER COUNTY	49620.21	32513.16	82133.37
COLJUS TOWN	8787.77	7782.89	16570.67
COUNTY GOVERNMENT	40832.44	24730.26	65562.70
SWEET GRASS COUNTY	43808.45	20243.42	64051.71
BIG TIMBER CITY	6594.00	11355.25	17949.25
COUNTY GOVERNMENT	36914.49	8888.16	45702.65
TETON COUNTY	70554.50	42993.42	113548.02
CHATEAU CITY	3609.10	16971.05	14280.15
OUTLOOK TOWN	1531.15	2573.68	4104.83
FALGOUT TOWN	4514.67	4493.42	9008.10
COUNTY GOVERNMENT	60859.58	24809.26	85754.64
TOWNER COUNTY	80975.22	37153.26	118228.26
REYNOLDS TOWN	528.35	1533.47	2061.82
WILSON CITY	11084.30	20361.34	31445.64
SUNBURST TOWN	1182.42	3033.53	5025.95
COUNTY GOVERNMENT	69182.17	11493.42	79675.59
TREASURE COUNTY	14781.31	7651.32	22432.63
HYSPAN TOWN	2415.39	5206.67	7622.06
COUNTY GOVERNMENT	12365.95	4250.00	16615.95
VALLEY COUNTY	116796.83	66848.63	203645.51
GLENSDA CITY	22244.20	31694.74	53938.94
NASHUA TOWN	1362.87	3750.00	5112.87
OPHELIA TOWN	1076.31	2368.42	3444.73
COUNTY GOVERNMENT	86112.44	46835.53	134948.97
WHEATLAND COUNTY	32614.71	16354.74	48969.45
CHARLETON CITY	5238.31	4743.42	9981.73
SOUTH GAP CITY	319.74	1065.79	1385.53
COUNTY GOVERNMENT	27056.67	6585.53	33642.20
WIBAUX COUNTY	20951.68	5598.63	30550.37
WIBAUX TOWN	1266.71	4322.37	5589.08
COUNTY GOVERNMENT	19684.97	5276.32	24961.29
YELLOWSTONE COUNTY	72000.00	31500.00	103500.00
YELLOWSTONE CITY	31500.00	13250.00	44750.00
YELLOWSTONE TOWN	31500.00	13250.00	44750.00
YELLOWSTONE COUNTY GOVERNMENT	72000.00	31500.00	103500.00

SOURCE: Department of Community Affairs, Division of Research of Information Systems

STATE ASSUMPTION OF ECONOMIC ASSISTANCE
AND SOCIAL SERVICE PROGRAMS

THE PROPOSAL

The State Commission on Local Government proposed the state, as represented by the Department of Social and Rehabilitation Services, assume all administrative and financial responsibility for the economic assistance and social service programs currently provided at the county department of public welfare level. State assumption of financial and administrative responsibilities of welfare is not a new concept; only three states - Montana, North Dakota, and New Jersey - still have a combination county-state system of both administration and financing for all welfare programs.

THE PROBLEM

Montana's county and state governments are presently intertwined in complex patterns of program regulations and financial matching requirements in the provision of economic assistance and social service programs. Both the county commissioners, acting as the Board of Public Welfare, and the Department of Social and Rehabilitation Services are involved in the supervision and administration of the county welfare departments. This situation often results in ambiguous lines of authority and responsibility between the two levels of government.

Montana is victim of an overdependence on the property tax to finance many of its services, including those of its welfare system. This is due in part to the failure to re-evaluate the traditional belief that the county should be responsible for the welfare of the people, and the failure to shift the financing for the welfare from the inelastic and inequitable property tax, to more broad based, statewide sources of revenue. The county portion of the costs of the welfare system is financed by property tax mill levies for the County Poor Fund, and counties are limited to 13.5 mills for that purpose. Counties which must levy the full 13.5 mills, thus reaching their mill limit are fairly assured that the state will provide funds in the form of a grant-in-aid for expenditures above the levy limit. The inequity of welfare financing is further exemplified by analyzing the county per capita costs for the County Poor Fund (which includes the costs of county health facilities) which run from a high of \$303.31 in Powder River County to a low of zero dollars in Teton County for Fiscal Year 1976.

In Fiscal Year 1975, three counties levied the full 13.5 mills, and seven counties levied at least 10 mills. In Fiscal Year 1976, four counties levied the limit, and there were ten counties which levied at least 10 mills. This greater need for funds is evident by the increase of approximately \$1.8 million from FY 1975 to FY 1976 in the county share of the total cost of welfare at the local level. In FY 1975 counties contributed \$6,749,278, and in FY 1976 contributed a total of \$8,569,758. The \$8.5 million represented about one third of the \$24.8 million total welfare cost for that local level, with the other two thirds - \$16,311,034 - being paid with state and federal funds.

THE ADVANTAGES

The alternative of state assumption of welfare will shift completely the administrative and financial responsibility for the system to the state level, represented by the Department of Social and Rehabilitation Services.

What are the advantages of one administrative and financial authority?

- * Uniformity of services and more equitable service delivery of those services. Clients will be better served in that there will be no differences in grants or services provided by the local departments no matter where the clients may reside in the state.

- * Increased financial accountability. The Department of Social and Rehabilitation Services will be the doer of funds, and will therefore know where those monies are going, and be able to maintain better records. The tax base at the state level is broader allowing for more equity, and counties will not be penalized for having adequate programs by being saddled with the added cost burden of migration into that county of recipients from less progressive counties.

- * Simpler administration. The Department of Social and Rehabilitation Services, as the single state agency administering a statewide program will be able to provide a higher degree of uniform administration, with more effective management of the local departments. Local departments should also be more responsive to direction from a single rather than dual administrative source. The vast number of uniform standards coupled with rules and regulations that are set for all political subdivisions in a state, can more effectively be implemented by a central authority.

THE RESULTS

- * The State Department of Social and Rehabilitation Services will be the administrative and financial authority for the welfare system in Montana.

- * All county department of public welfare employees will become full state employees, responsible to the Dept. of SRS, with their salaries and benefits paid completely by that Department.

- * The Board of Public Welfare, that currently serves as the local level administrative authority, would no longer exist.

- * The county mill levy to support the County Poor Fund will no longer be necessary, and counties will lose the authority to levy those 13.5 mills.

- * The state would no longer need to provide grants-in-aid for those counties which levied 13.5 mill levy limit, and still did not have enough funds to cover the costs of services.

* Counties with county-owned and/or operated hospitals and nursing homes will be able to levy mills for the operation and maintenance for those facilities through the All-Purpose Mill Levy.

* Counties will have the option of creating a Board of Social Services to do planning for human services within their areas.

* Counties will be able to provide supplementary programs to those provided by the state such as senior citizen centers, day care centers, group homes and so on, and may on decision of the local governing body levy mills to cover the costs of such services.

THE COST

State financing of economic assistance and social service programs will come from the income tax by legislative appropriation. Utilizing the income tax provides an equalized per capita cost so that no one county or the property is overburdened. State assumption of the county share of these welfare assistance programs will cost approximately \$9.2 million per fiscal year, and will eliminate the need for a county mill levy to support the County Poor Fund.

DOCUMENTATION

Supporting documentation is available in separate reports prepared on state financing of welfare.

OPTIONS

The Commission had the following options regarding the assumption of economic assistance:

1. No recommendation
2. Complete state funding for biennium with change in administration July 1, 1977.
3. Recommend a further study during interim with no changes during biennium
4. Funding for 2 years without change in administration, and interim studies
5. Funding for 2 years without change in administration first year; change administration second year after study and proposal
6. Funding and change in administration in second year of biennium after study and proposal

The Commission had the following options regarding the portion of the total costs that would be financed by the state:

<u>Option</u>	<u>Per Year Cost FY 1978</u>	
1. State assume total costs	State	\$9,730,643
	Local	--0--
2. State assume only local share of state and federal programs	State	\$3,477,046
	Local	\$6,253,597
3. State assume only local share of state and federal programs		\$3,477,046
And Medical Assistance		<u>\$4,135,314</u>
	State	\$7,612,360
	Local	\$2,118,283

LEGISLATIVE HISTORY

Bob Palmer, Representative from Missoula, sponsored HB 676 which contained the recommendations made by the State Commission on Local Government regarding welfare assumption. The bill was assigned to the House Public Health, Welfare and Safety Committee for consideration and the initial hearing was scheduled for February 17.

Because the legislative hearing process was in its last week, the committee limited oral testimony to one half hour. Only one county commissioner spoke in favor of the bill -- Lud Browman from Missoula. In his testimony and during the questioning session following testimony, the question of how much control county commissioners legally had was not clarified. There was no debate or discussion on the bill among committee members and the bill was killed by a vote of 14 - 6.

Bob Palmer appealed the adverse committee report on the House floor and the bill went up for second reading February 22. Palmer and the State Commission on Local Government felt the social significance of the bill deserved a full hearing and debate before the House. It was also felt that a floor debate during this legislative session would increase the bill's chances of passage during the next session but that, in any event, state assumption was an inevitability. The bill failed to pass on second reading 71 - 26.

Senator Larry Fasbender from Cascade County introduced an alternate bill -- SB 438. This bill provided for state assumption of the financial responsibility of welfare but not for the administration of the programs. It proposed to finance these programs not through General Fund revenue as did HB 676 but through a general property tax of three mills in each county. SB 438 was killed on second reading by a vote of 27 - 18.

10-YEAR PROJECTION OF ASSUMPTION COSTS

	1976	'77	'78	'79	'80	'81
Program Costs*	3,311,473	3,477,046	3,650,899	3,833,443	4,025,115	4,226,371
County CA Costs	477,845	501,737	526,824	553,165	580,823	609,864
Medical Assistance	3,938,395	4,135,314	4,342,080	4,559,184	4,787,143	5,026,500
Transient Relief	35,321	37,087	38,941	40,888	42,932	45,079
County Burials	66,747	70,084	73,588	77,268	81,131	85,187
County Administration	600,000	630,000	661,500	694,575	729,303	765,768
Food Stamp Cost	87,500	91,875	96,468	101,292	106,356	111,674
Contingency	750,000	787,500	826,875	868,218	911,629	957,211
Total	9,267,281	9,730,643	10,217,175	10,728,027	11,264,432	11,827,654
Biennium Total		18,997,924		20,945,202		23,092,086

All cost projections at 5% per year and all figures were rounded to the nearest whole dollar.

*Includes AFDC, AFDC Foster Care, CWS Foster Care, salaries and travel.

10-YEAR PROJECTION OF ASSOCIATION COSTS

	'82	'83	'84	'85	'86
Program Costs*					
County CA Costs	4,437,690	4,659,574	4,892,553	5,137,181	5,394,040
Medical Assistance	640,357	672,375	705,894	741,294	778,359
Transient Relief	5,277,825	5,541,716	5,818,802	6,109,742	6,415,229
County Burials	47,333	49,700	52,185	54,794	57,534
County Administration	89,447	93,919	98,615	103,546	108,723
Food Stamp Cost	804,057	844,260	886,473	930,796	977,336
County Agency	117,258	123,121	129,277	135,741	142,528
	1,005,071	1,055,325	1,108,091	1,163,495	1,221,670
Total	12,419,038	13,039,990	13,691,990	14,376,589	15,095,419
Biennium Total		25,459,028		28,068,579	

All cost projections at 5% per year and all figures were rounded to the nearest whole dollar.

*Includes AFDC, AFDC Foster Care, CMS Foster Care, salaries and travel.

10-YEAR PROJECTION OF PROGRAM COSTS

	1976	'77	'78	'79	'80	'81
AFDC	914,131	959,837	1,007,829	1,058,220	1,111,131	1,166,687
AFDC Foster Care	94,188	98,897	103,842	109,034	114,486	120,210
CMS Foster Care	427,133	448,489	470,914	494,459	519,182	545,141
Social Services-travel & salaries	764,437	802,658	842,791	884,931	929,117	975,636
Eligibility and Determination Travel & salaries	1,105,035	1,160,286	1,218,301	1,279,216	1,343,176	1,410,335
Staff Development Costs	6,548	6,875	7,229	7,580	7,959	8,357
Total	3,311,472	3,477,042	3,650,896	3,833,440	4,025,051	4,226,366
Biennium Total		6,788,514		7,684,336		8,251,417

All cost projections at 5% per year and all figures were rounded to the nearest whole dollar.

10-YEAR PROJECTION OF PROGRAM COSTS

	'82	'83	'84	'85	'86
AFDC	1,225,021	1,286,272	1,350,586	1,418,115	1,489,021
AFDC Foster Care	126,220	132,531	139,158	146,116	153,422
CMS Foster Care	572,399	601,019	631,069	662,623	695,751
Social Services-travel & salaries	1,024,418	1,075,639	1,129,421	1,185,892	1,245,187
Eligibility and Determination Travel & salaries	1,480,852	1,554,894	1,632,639	1,714,271	1,799,955
Staff Development Costs	8,774	9,213	9,674	10,158	10,666
Total	4,437,686	4,659,568	4,892,547	5,137,175	5,394,603
Biennium Total		9,097,252		10,029,722	

All cost projections at 5% per year and all figures were rounded to the nearest whole dollar.

ASSUMPTIONS USED IN PREPARING FINANCIAL ESTIMATES

I. The 1976 final SBAS report and SRS monthly statistical report were used as the primary source of data. In determining the cost to the state the following assumptions must be considered:

1. That the counties continue to fund and operate the county hospitals and nursing homes,
2. That the state assumes control of all office equipment and supplies controlled by the county,
3. That a major increase in caseload size does not occur after assumption takes place,
4. That the current delivery system of office location and FTE number does not change,
5. That all county welfare offices will begin paying rent. Rent will be computed by using 600 FTE's, 100 sq. ft. per FTE at \$5.00/sq. ft.,
6. The current positive balance in the revolving fund will not revert to county control.

II. The following table lists the cost estimates based upon 1976 data:

Economic Assistance Program	\$3,311,472 ¹
County General Assistance	477,845
County Medical Assistance	3,938,395
Transient Relief	35,321
County Berial	66,747
Food Stamp Administration	87,500
County Administration	600,000
Contingencies	750,000 ²
	<u>\$9,267,280</u>

1) Program Costs by Category:

Income Maintenance

AFDC	914,131
AFDC Foster Care	94,188
CWS Foster Care	427,133

Travel and Salaries

Social Services	764,437
Eligibility Determination	1,105,035
Staff Development	6,548

Total \$3,311,472

- 2) This figure includes rental increase, data processing changeover, form revision, additional FTE's for Centralized Services and additional GA costs due to ADC cases reverting to GA.

III. Attachments I and II are ten-year projections of the assumption costs using a 5 percent inflation rate.

Attachment I is a projection of all costs while Attachment II projects program costs by category for Social Services and Economic Assistance.

STATE ASSUMPTION OF COSTS FOR DISTRICT COURT OPERATIONS

PROPOSAL:

That the state assume responsibility for funding District Courts, and allied operations.

Expenses to be funded by the state would be: salaries, mileage, and expenses of the clerk of court, deputies and employees; court reporter; juvenile probation officer and staff; extra help; special counsel; court appointed counsel, and indigent defense counsel fees; bond premiums; printing and stationary, postage, office supplies, record books, and other expenses. The county would continue to be responsible for providing courtrooms, offices, and janitorial service.

INTRODUCTION:

At the local level Montana has two courts that directly administer state law -- the District Court and the Justice Court. District Courts are geographically defined by districts, the largest district being composed of seven counties (District 16) and the smallest districts consist of but one county (Districts 2 and 18). A judicial district may have from one to three district judges.

There is one justice court required per county with one additional justice court authorized. There is one justice of the peace per justice court.

District court judges and justices of the peace are elected. The salary and travel expenses of the district judge are presently paid by the state. The salary of justices of the peace, and operational expenses for both district court and justice court are financed by county property taxes.

Allied operations of the district court are the office of the clerk of court, court reporter, juvenile probation and indigent defense. There is one clerk of court per county. The clerk of court is elected. The clerk of court handles records for the district court, marriage licensing, passport application, and related duties. The court reporter is appointed by the district judge and makes stenographic records of judicial proceedings. The juvenile probation officer is appointed by the district judge, and administers court orders regarding juveniles. Indigent defense takes varied forms through Montana's counties. By U. S. Supreme Court decision all indigent defendants charged with a crime and who may, if convicted, be incarcerated, have the right to counsel. A district judge may appoint lawyers from the practicing bar or the district court, or county commissioners

may establish a public defender office. All three methods are used in Montana counties.

This proposal is limited to district courts, because they are state courts, not county courts. The district courts administer state law utilizing state procedural rules. Justice courts at the present time are mainly concerned with state law, but on a local level. They are the criminal court for most state misdemeanors occurring within the county, but in the future, when counties can exercise legislative power they will become more involved in administering county ordinances, thus making them a county court. City courts are the court for trying offenses committed under city ordinances. Both justice and city courts act as initial committing courts for felony violations of state law occurring within their respective jurisdictions. The civil process of both courts is limited by the boundaries of the city or county.

PRESENT FUNDING:

District court expenditures for fiscal year 1975 totaled \$3,274,765. Of that amount, \$837,216 was funded by the state in paying district judge's salaries and travel expenses. Budgeted for fiscal year 1977 is \$5,418,089, of which \$850,866 is state funding for judges salaries and travel expenses, leaving \$4,567,223 budgeted to be funded through county property taxes.

Small claims courts, authorized by the 1975 Legislature, appear to be a branch of the district court. Presently there are no small claims courts in Montana, thus no expenses are attributed to them.

PRESENT FUNDING INEQUITIES:

District courts are financed by local property taxes from the counties comprising the judicial district. Most local services are requested and received by local residents at the approximate level that they desire. The level of service for a particular service varies from one county to another. There can be no varying levels of judicial functions because the state law requires uniformity throughout the state. Residents have no input locally into the operations of the district court, except for the election of district judges. Because the level of judicial services is uniform but tax base varies, the burden of funding district court operations is highly inequitable. The per capita cost in fiscal year 1975 by county varies from \$9.58 in Wibaux County to \$2.03 in Roosevelt County. Fiscal year 1976 final reports are unavailable at this time, but county budgets for fiscal year 1977 reflect an even greater disparity. The highest per capita is \$24.45 in Powder River County and the lowest is \$3.78 in Ravalli County. The statewide per capita average for fiscal year 1975 was \$3.31, and the statewide per capita for fiscal year 1977 is \$6.21.

Within judicial districts there is a large disparity in per capita costs. The greatest disparity is within District 16 with a 350% difference in low to high county per capita cost for 1977 (200% for fiscal year 1975). District 7 has had a 300% difference for both fiscal year 1975 and 1977. Four districts have 100% difference between high and low county per capita for fiscal year 1977. In fiscal year 1975, 39 counties exceeded the statewide average per capita cost. For fiscal year 1977, 44 will exceed the statewide average.

The cost of large criminal trials exacerbates an already highly inequitable situation, particularly in less populous counties. The Duncan McKenzie murder trial cost Pondera County \$82,073.95. Of that amount \$54,848.53 was directly charged to the Clerk of Court's budget. (In 1973 the total court expenditures for Pondera County were only \$18,407.) The trial cost Pondera County residents \$11.89 per capita; the same trial would have cost Cascade County residents \$.97 per capita.

In 1974 a woman was murdered by two hitchhikers in Rosebud County. The murder trial cost approximately \$60,000. The fiscal year 1974 total for all court expenses for Rosebud County was \$35,000. Because the murder involved hitchhikers, the location of the murder totally depended on chance. Had the murder occurred in Treasure County, the \$60,000 total for the one murder trial could have financed Treasure County's share of its District Court expenses for seven years. Based on the 1976 taxable valuation, Treasure County residents would have had to pay 16.7 mills, or \$48.85 per capita to finance that trial. In Yellowstone County the same trial would have required .4 mills, or \$.61 per capita. For a trial brought in the name of the State of Montana, the disparity in per capita costs is difficult to justify.

ALTERNATIVES TO PRESENT FUNDING SITUATION:

In discussing alternatives, it is best to realize that there need not be a complete court package. The district court, office of the clerk of court, juvenile probation, court reporter, or indigent defense can logically stand apart.

1. Indigent Defense. Indigent defense is presently in a chaotic condition when viewed statewide. In many counties the district court appoints individuals on a case by case basis or as public defenders, in other counties the county commission has hired individuals or firms to be public defenders. Because of this situation, much of what is being spent on indigent defense in the state is not reflected in district court budgets. Were indigent defense included as a part of the district court package those counties having public defenders financed directly by the county commission would have an incentive to halt that system. This would force the district court to appoint defense or create a new public defender office. With this in mind, the Montana Board of Crime

Control has contracted with the National Center for State Courts to survey indigent defense in Montana and report its current condition and make recommendations on what type of statewide defender system would be most advantageous for Montana. The system would be state supported.

An alternative to a state defender system would be to have the state fund indigent defense through the court system. Because that would necessitate transfer of defender systems now administered directly by the county an additional \$850,000 would be required. Another alternative would be to have the county be responsible for indigent defense. This would be contrary to the overall concept of state funding, however, because the person is charged with a crime in the name of the State of Montana. Another factor is that special defense counsel is often the most expensive single item involved in a homicide trial.

2. Personnel - Office of the Clerk of Court, Court Reporter, Juvenile Probation Office, and District Court Staff. The salaries and benefits of all personnel should be assumed by the state. The alternative methods of accomplishing this are to reimburse the county at a set amount for each position within the district court, or, to make the personnel state employees. If the personnel were to become state employees, there are two alternatives in their appointment, discharge and supervision. One would be to set up a judicial merit system paralleling that of the executive -- the state would be directly involved in personnel. The most feasible alternative would be for a hierarchy to be established. The district judge would supervise, appoint and discharge the juvenile probation officer, court reporter, the district staff, and, if provided by the local government structure, the clerk of court. Those persons would then supervise, appoint and discharge their own staffs. The number of positions, pay, benefits, and methods and causes for discharge of personnel would be promulgated by the supreme court. This last alternative would preserve the way district courts presently operate and would recognize that the district courts operate as 18 units which have to work in internal harmony often far from Helena.

3. Supplies and Operating Expenses. The state would assume the cost of providing supplies such as paper, printing, postage, typewriters, desks and so forth. Expenses in running the court would also be assumed. These include telephone, jury fees and meals, witness fees and meals, and other standard expenses of a court. Books would be purchased for the use of judges and staff. These books could be a county law library. Centralized purchase of supplies and books at the state level could produce considerable savings and promote uniformity in forms. Some use of existing county equipment could result in savings. The judge could contract with the county for use of equipment such as the Xerox machine.

4. Courtroom and Office Facilities. The county would continue

to be responsible for providing court rooms, offices, and other facilities. Included would be maintenance, repair, janitorial services, electricity, heating and air conditioning. If extensive remodeling or new facilities were required the supreme court would be responsible for approving or disapproving a request by a district judge. If approved the supreme court would work with the county to insure that the request was fulfilled in the most economical and reasonable manner.

5. Budgeting. In budgeting there are two alternatives:

(a) that the supreme court, through the court administrator, prepare a judicial budget based upon requests from the districts; or, (b) that each district prepare a budget and the supreme court, through the court administrator, combine the budgets with that of the supreme court. Either way the budget must be submitted to the governor, through the budget office, for submission to the legislature. Because the budget is for the judicial branch, it is suggested that the budget office be prohibited from changing the budget request, but may comment on it in whole or in part.

6. Administration. The administration of state funding should be through the supreme court and handled by the court administrator. This insures the independence of the judicial branch, and frees the district court to perform judicial rather than administrative functions.

RECOMMENDED STRUCTURE:

That the state assume the responsibility for funding district court operations. The funding would include salaries and benefits for the staff of the district court, office of the clerk of court, court reporter and juvenile probation officer. That the personnel continue to be supervised, hired and fired within the district hierarchy. That operational expenses of the district court, including supplies, books, equipment, jury and witness expenses, bonds, and the like be state funded. That the county continue to provide courtrooms and offices, and be responsible for their upkeep and utilities. Not to be funded by this proposal would be indigent defense (which should be funded under a separate proposal establishing a state defender system) and pre-incarceration or commitment expenses such as mental evaluations. That the court administrator, supervised by the supreme court, prepare a budget request (either combined district budgets or a total judicial branch budget) for submission to the governor, and that budget go to the legislature unchanged.

RECOMMENDED FUNDING:

That \$4.7 million be appropriated for fiscal year 1978 and \$5.17 million be appropriated for fiscal year 1979, making a total biennial appropriation of \$9,870,000. An alternative would be to appropriate \$5.17 million for fiscal year 1979, and appropriate

\$75,000 for fiscal year 1978, making the state assumption effective July 1, 1978, allowing the supreme court to set up the mechanics of the system during fiscal year 1978.

DISTRICT COURT FINANCIAL SUMMARY

FY 1973			
Expenditures--county	\$1,743,592		
Expenditures--state	<u>688,418</u>		
Total			<u>\$2,432,010</u>
FY 1974			
Expenditures--county	2,188,535		
Expenditures--state	<u>682,276</u>		
Total			<u>2,870,811</u>
FY 1975			
Expenditures--county	2,437,549		
Expenditures--state	<u>837,216</u>		
Total			<u>3,274,765</u>
FY 1976			
--Unavalable			
FY 1977--Counties' District Court Budgets as reported to Supreme Court Administrator			
Budgeted--county			
Court Reporter	\$ 645,598		
Youth Probation	1,203,288		
Clerk's Office			
S&O	1,875,293		
Juries	326,635		
Witnesses	42,272		
Defense	313,717		
Other ¹	100,260		
Mental Health	23,400		
Capital	<u>36,760</u>		
Total Clerk	<u>2,718,337</u>		
Total County		\$4,567,223	
Budgeted--state		<u>850,860</u>	
Total			<u>5,418,083</u>

1. Includes such items as reconciliation court, mental evaluations, appeal transcripts, books, baliff, and federal match money.

STATE ASSUMPTION BEGINNING FISCAL YEAR 1978

BIENNIIUM

State Assumption	\$9,870,000
Existing State	1,830,000
New Programs	386,000
Defense	
Current level con't	925,470
State wide system	1,785,000

FISCAL YEAR 1978

State Assumption		
Court Reporters	\$ 710,157	
Youth Probation	1,323,616	
Clerks of Court ¹	2,578,906	
Bookkeeper	11,500	
Total		\$4,624,179
Existing		
District Judges		915,000
New Programs ²		
Trial Court Referees	30,000	
Trial Court Law Clerks	157,000	
		187,000
Defense		
At Current level ³	440,700	
State Wide System ⁴	850,000±	

Recommend FY 1978 appropriation of \$4,700,000 for state assumption. The additional \$75,821 would be available above and beyond clerk of court money for unforeseen trial expenses.

1. Excludes money for capital and mental health expenses.
2. Under discussion stage by the Interum Legislative Subcommittee on the Judiciary.
3. Computed by establishing per capita expenses of defense carried in clerk of court budget then multiplying by state population.
4. An estimate. Survey by National Center for State Courts will provide actual amount.

STATE ASSUMPTION BEGINNING FISCAL YEAR 1979

State Assumption		
Court Reporters	\$ 781,172	
Youth Probation	1,455,977	
Clerks of Court ¹	2,829,599	
Bookkeeper	<u>12,650</u>	
Total		\$5,079,398
Existing		
District Judges		915,000
New Programs ²		
Trial Court Referees	30,000	
Trial Court Law Clerks	<u>169,000</u>	
		199,000
Defense		
At Current Level ³	484,770	
State Wide System ⁴	935,000±	

Recommend FY 1979 appropriation of \$5,170,000 for state assumption. The additional \$90,602 would be available above and beyond clerk of court money for unforeseen trial expenses.

-
1. Excludes money for capitol and mental health expenses.
 2. Under discussion stage by the Interum Legislative Subcommittee on the Judiciary.
 3. Computed by establishing per capita expenses of defense carried in clerk of court budget then multiplying by state population.
 4. An estimate. Survey by National Center for State Courts will provide actual amount.

ADDITIONAL STATE FINANCING OF COUNTY ATTORNEYS' OFFICES

PROPOSAL

Beginning with the 1979 Biennium, the State Commission proposes that the Legislature appropriate sufficient monies to fund up to one-half of the total budgeted expenditures of the office of county attorney.

The funding formula would be as follows:

The state shall provide \$10,000 per county per year, plus one dollar per person within the county based on the most recent federal census or population estimate.

Except where the civil and prosecuting duties are assigned to separate offices by ordinance, the annual state share for any county may not exceed one-half of the budgeted expenses for the office of county attorney nor may the annual state contribution to any county exceed \$50,000.

CURRENT LEVEL OF STATE FUNDING

Under existing state law the state provides funds for one-half of the salary of each of Montana's fifty-six county attorneys:

25-601. (4868) Payment of salaries of county officers and assistants. The salaries of the several county officers and their assistants must be paid monthly out of the general fund of the county, upon the order of the board of county commissioners, except the salary of the county attorney, which is payable monthly, one-half from the state treasury upon the warrant of the state auditor.

The salary of the county attorney, like all county officers, is based on the formula found in 25-605, R.C.M. 1947, which uses county population and taxable valuation as its components. Section 25-605 also specifies that county attorneys in counties with populations of more than 30,000 are to be paid \$25,000 per year.

The Legislature appropriated \$665,716 for the 1977 Biennium, \$322,858 per fiscal year for the state share of county attorneys' salaries. This figure compares with an appropriation of \$609,265 for the 1975 Biennium and represents a 9.3% increase over the 1975 biennial appropriation.

The office of county attorney currently performs two types of duties: civil and prosecutorial. The state provides one-half of his salary on the premise that the county attorney spends half of his time representing the state and prosecuting public offenses on behalf of the state. While the county attorney is charged with

providing legal assistance to county, district, and township officers on matters related to their duties and for acting as counsel for rural fire districts, the preponderance of his duties are in fact concerned with prosecuting, investigating, and initiating proceedings on behalf of the state. Of the 143 sections of law assigning duties to the county attorney, only 10 deal with his responsibility to act as a legal advisor.*

The assignment of duties by the Legislature has occurred gradually. With the increment of strictly state related duties, a correspondingly greater portion of the county attorney's time has been consumed on behalf of the state. As a result, most of the county attorneys in the state spend far more than 50% of their time representing and prosecuting on behalf of the state. This by itself is a strong indication that the original premise on which the shared responsibility of the county attorney's salary was based is no longer viable.

Not only is a greater portion of the county attorney's personal time expended on behalf of the state, in the seven more populous counties (Yellowstone, Cascade, Missoula, Flathead, Gallatin, Silver Bow, and Lewis and Clark) one or more deputies or clerical employees have been hired to assist the county attorney in acting on behalf of the state. In most instances, these deputies and employees spend 90 to 100 per cent of their time performing strictly state functions; but the state currently bears no responsibility whatsoever in funding the salaries and related costs of these individuals. Each county is forced to absorb the entire financial burden of these positions and other state imposed office expenses. The portion of state funding presently applied to the salary of the county attorney amounts to from 8% to 20% of the total operating expenditures of the seven most populous counties.

PROPOSED LEVEL OF STATE FUNDING

The Legislature recognized long ago that the state should fund one-half of the county attorney's salary under the presumption that one-half of his activities are performed for the state. Since in recent years the assignment of new state duties has dramatically increased the expenditures of that office by necessitating the expenses of legal and clerical staff, the state should provide funding for one-half of the total expenditures of the office of county attorney. While this level of funding still may not be a true reflection of the balance of time expended on civil vis a vis prosecutorial duties, it would be a recognition that more individuals than only the county attorney spend at least one-half of their time performing duties on behalf of the state.

In order to fund the state share under the proposed formula, the Legislature would have to appropriate approximately \$2.7 million for the 1979 Biennium (\$1.04 million for F.Y. 1979 and \$1.18 for F.Y. 1980).

* Based on computer search conducted by the Montana Legislative Council in May, 1974.

This figure is derived by using the actual expenditures reported by each county for fiscal year 1975 as the base year and figuring one-half of the total expenditures as the state's share. For fiscal year 1975 the state's share under the proposed formula would be \$695,800. (See Chart A)

On the basis of expenditure increases from fiscal year 1973 to fiscal year 1974 and fiscal year 1974 to fiscal year 1975, it is anticipated that the overall per cent increase of expenditure will be in the neighborhood of 20% per year. The state's share of the expenditures would rise a corresponding 20% per year.

Projected total expenditures of county attorney's offices based on actual fiscal year 1975 expenditures (20% increase per year):

Projected Expenditures

FY 1975	\$ 1,454,803 (Actual)
FY 1976	\$ 1,745,803
FY 1977	\$ 2,094,963
FY 1978	\$ 2,513,955
FY 1979	\$ 3,016,746

Projected State Share of Expenditures: Straight Projection

FY 1975	\$ 695,000
FY 1976	\$ 835,000
FY 1977	\$ 1,002,000
FY 1978	\$ 1,202,400
FY 1979	\$ 1,442,880

State Share of Expenditures: Corrected (See Chart B)

FY 1975	\$ 695,000
FY 1976	\$ 796,520
FY 1977	\$ 911,598
FY 1978	\$ 1,035,798
FY 1979	\$ 1,174,858

Required Appropriation

FY 1978	\$1.04 Million
FY 1979	<u>\$1.18 Million</u>
	\$2.22 Million

Current State Appropriation

1975 Biennium	
FY 1974	\$ 283,004
FY 1975	\$ 293,186
	<u>\$ 576,190</u>

1977 Biennium	
FY 1976	\$ 332,858
FY 1977	\$ 332,858
	<u>\$ 665,716</u>

CHART A

COUNTY ATTORNEY EXPENDITURES

Fiscal Year 1974 and Fiscal Year 1975

County	F.Y. 1974 Expenditures	F.Y. 1975 Expenditures	% + or - 1974 to 1975
Beaverhead	\$ 12,160	\$ 14,721	+ 21.1%
Big Horn	19,783	22,991	+ 16.2%
Blaine	11,061	16,265	+ 47.1%
Broadwater	7,591	8,269	+ 8.9%
Carbon	11,019	13,576	+ 23.2%
Carter	13,083	10,727	- 18.0%
Cascade	95,711	100,472	+ 5.0%
Chouteau	9,671	10,549	+ 9.1%
Custer	20,134	21,731	+ 7.9%
Daniels	8,667	10,005	+ 15.4%
Dawson	19,007	22,175	+ 16.7%
Deer Lodge	22,462	26,289	+ 17.0%
Fallon	14,509	24,376	+ 68.0%
Fergus	23,729	37,301	+ 57.2%
Flathead	72,845	75,133	+ 3.1%
Gallatin	46,417	67,561	+ 45.6%
Garfield	12,617	12,229	- 3.1%
Glacier	17,863	20,088	+ 12.5%
Golden Valley	4,136	4,905	+ 18.6%
Granite	9,621	11,959	+ 24.3%
Hill	20,186	23,371	+ 15.8%
Jefferson	12,160	23,438	+ 92.8%
Judith Basin	7,892	9,176	+ 16.3%
Lake	22,948	25,203	+ 9.8%
Lewis and Clark	50,410	51,091	+ 1.4%
Liberty	6,887	7,465	+ 8.4%
Lincoln	15,903	30,315	+ 90.6%
Madison	11,817	11,677	- 1.2%
McCone	7,878	9,420	+ 19.6%
Meagher	5,615	7,165	+ 27.6%
Mineral	7,711	13,899	+ 80.3%
Missoula	119,643	133,810	+ 11.8%
Musselshell	12,482	12,916	+ 3.5%
Park	17,105	19,786	+ 15.7%
Petroleum	1,627	1,528	- 6.1%
Phillips	11,401	14,286	+ 25.3%
Pondera	10,647	24,186	+ 127.2%
Powder River	13,192	15,467	+ 17.3%
Powell	15,572	29,377	+ 88.7%
Prairie	6,255	8,068	+ 28.9%
Ravalli	19,479	32,805	+ 68.4%
Richland	12,371	14,107	+ 14.0%

(Continued)

CHART A (CONTINUED)

COUNTY ATTORNEY EXPENDITURES

Fiscal Year 1974 and Fiscal Year 1975

<u>County</u>	<u>F.Y. 1974</u> <u>Expenditures</u>	<u>F.Y. 1975</u> <u>Expenditures</u>	<u>% + or -</u> <u>1974 to 1975</u>
Roosevelt	\$ 20,716	\$ 22,288	+ 7.6%
Rosebud	14,766	25,930	+ 75.6%
Sanders	9,850	11,143	+ 13.1%
Sheridan	11,481	13,612	+ 18.6%
Silver Bow	78,719	86,177	+ 9.5%
Stillwater	7,521	12,765	+ 69.7%
Sweet Grass	10,303	11,402	+ 10.1%
Teton	9,903	10,482	+ 5.9%
Toole	10,873	11,580	+ 6.5%
Treasure	5,421	4,926	- 9.1%
Valley	20,250	24,801	+ 22.5%
Wheatland	6,852	8,916	+ 19.6%
Wibaux	8,862	9,956	+ 12.3%
Yellowstone	140,997	151,666	+ 7.6%
TOTAL	\$ 1,217,781	\$ 1,454,803	+ 19.5%

STATE FUNDING BY COUNTY*

F.Y. 1975 - F.Y. 1979

County	F.Y.'75		1977 Biennium		1979 Biennium	
	State Share	F.Y.'76	State Share	F.Y.'77	State Share	F.Y.'78
	\$	7,400	\$	8,880	\$	12,787
Beaverhead		11,500		13,800		15,345
Big Horn		8,100		9,720		19,872
Blaine		4,200		5,040		23,846
Broadwater		6,800		8,160		16,796
Carbon		5,300		6,360		13,997
Carter		50,000		50,000		7,258
Cascade		5,300		6,360		7,258
Chouteau		10,800		12,960		11,750
Custer		5,000		6,000		14,100
Daniels		11,100		13,320		10,990
Dawson		13,200		15,840		9,158
Deer Lodge		12,200		14,640		50,000
Fallon		18,500		22,200		18,662
Fergus		37,600		45,120		22,395
Flathead		33,700		40,440		10,990
Gallatin		6,100		7,320		8,640
Garfield		10,000		12,000		10,368
Glacier		2,500		3,000		23,017
Golden Valley		6,000		7,200		8,640
Granite		11,600		13,920		19,181
Hill		11,700		14,040		22,810
Jefferson		4,500		5,400		31,968
Judith Basin		12,600		15,120		50,000
Lake		25,600		30,720		50,000
Lewis and Clark		3,700		4,440		50,000
Liberty		15,000		18,000		10,541
Lincoln		5,800		6,960		17,280
Madison		4,700		5,640		4,320
McCone		3,500		4,200		10,368
Meagher						12,442
						20,245
						24,054
						24,261
						9,331
						26,127
						50,000
						7,672
						31,104
						12,027
						9,746
						7,255

*20% Annual Increase

CHART B (CONTINUED)
STATE FUNDING BY COUNTY*

County	F.Y. '75		1977 Biennium		1979 Biennium	
	State Share	F.Y. '75	State Share	F.Y. '77	State Share	F.Y. '79
Missoula	\$ 50,000		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Musselshell	6,900		8,280	9,936	11,923	14,308
Park	9,900		11,880	14,256	17,107	20,529
Petroleum	1,000		1,200	1,440	1,728	2,074
Phillips	7,100		8,520	10,224	12,269	14,723
Pondera	12,100		14,520	17,424	20,908	25,091
Powder River	7,700		9,240	11,088	13,307	15,967
Powell	14,700		17,640	21,168	25,402	30,482
Prairie	4,000		4,800	5,760	6,912	8,294
Ravalli	16,400		19,680	23,616	28,339	34,007
Richland	7,000		8,400	10,080	12,096	14,515
Roosevelt	11,100		13,320	15,894	19,181	23,017
Rosebud	12,900		15,480	18,576	22,291	26,749
Sanders	11,500		13,800	16,560	19,872	23,846
Sheridan	6,700		8,040	9,648	11,578	13,893
Silver Bow	43,000		50,000	50,000	50,000	50,000
Stillwater	6,400		7,680	9,216	11,059	13,271
Sweet Grass	5,700		6,840	8,208	9,850	11,820
Teton	5,200		6,240	7,488	8,986	10,783
Toole	5,800		6,960	8,352	10,022	12,027
Treasure	2,500		3,000	3,600	4,320	5,184
Valley	12,400		14,880	17,856	21,427	25,713
Wheatland	4,200		5,040	6,048	7,258	8,709
Wibaux	5,000		6,000	7,200	8,640	10,368
Yellowstone	50,000		50,000	50,000	50,000	50,000
Total	\$ 695,800		\$ 796,520	\$ 911,598	\$ 1,035,798	\$ 1,174,858

*20% Annual Increase

STATE FINANCING OF LOCAL PUBLIC HEALTH SERVICES

THE EXISTING SITUATION

Local public health services in Montana are currently inadequately funded. This is demonstrated by the fact that even minimally-staffed full-time health departments are a scarcity in the state and, in counties which have employed individual public health personnel, the nurses and sanitarians cover large rural areas, usually by themselves, and are able to provide only fragmented preventive health and environmental health services to the residents of their counties.

Most counties in the state share the services of a sanitarian, and some of these sanitarians serve as many as 5 counties. Exactly half of the counties have no county nurse (community health nurse) or only a part-time nurse. Only 18 counties have nurses whose sole responsibility is school nursing, although in some areas, the county nurse will provide services at the schools as a part of her day-to-day public health nursing program.

There are 5 full-time health departments in the state with full-time health officers, however, they serve only the largest cities and surrounding areas which represent but 44% of the total population of the state and the vast rural areas of the state are largely unserved or underserved. As examples of the basically rural characteristics of Montana's total public health effort, one rural nurse who serves a county by herself recently logged 12,000 miles travel in one year in an attempt to provide services to her sparsely populated constituency, and one of the sanitarians who serves 4 counties by himself has an area of 11,045 square miles to cover.

Despite these circumstances, the state and federal governments impose almost staggering requirements on local public health personnel. The federal government accomplishes this through the simple expedient of passing laws with which the states must comply. Since the local sanitarian and public health nurse are on-the-spot, the actual furnishing of the service, in turn, becomes their responsibility. An excellent example of this is the up-coming mass immunization program for "swine" flu for which Congress appropriated monies for just about every component of the project except the effort of local health departments.

The state health department has statutory authority to "use personnel of local departments of health to assist in the administration of laws relating to public health".¹ Thus, in many instances, even programs mandated by state laws for which the administration has been assigned to the state health department, become the responsibility of local public health employees. One can count dozens of separate and distinct public health (and particularly environmental health) functions which state law has either assigned directly to local public health personnel or to the state health department which, in turn, delegates them to local public health personnel. This, of course, does not include the multitude of additional components of these programs the state health

¹R.C.M. 69-4110 (17)

department has assigned through administrative regulation or directive or departmental handbook.

In exchange for providing these services, the state legislature has appropriated approximately 2¢ per capita (\$12,500 per annum) for the past two fiscal years specifically for the purpose of block grant aid to local health departments. The state health department combined this 2¢ per capita amount with federal funds it receives annually and, in FY '75, allocated \$75,510 of it to local health departments. This amount was shared, as block grant aid, with local health departments by the state health department out of a total budget of \$9.8 million for that fiscal year.

The federal government is a bit more generous in its relationship with the state. In FY '76 it provided approximately 69% of the total budget of \$12.4 million of the state health department, but traditionally, little of this money finds its way into local health department budgets.

As can be seen by the following chart, the bulk of the money spent for the basic programs conducted by local public health personnel are local dollars.

AMOUNTS CONTRIBUTED TO LOCAL HEALTH DEPARTMENTS
BY VARIOUS SOURCES - FISCAL YEAR 1975

	<u>Amount</u>	<u>Percent of total</u>
STATE & FEDERAL COMBINED	\$ 75,510	3%
COUNTY	2,000,622	76%
MUNICIPALITIES	259,559	10%
SCHOOL DISTRICTS	<u>300,194</u>	<u>11%</u>
TOTALS	\$2,635,885	100%

Additional monies are allocated to local governments by the state health department, but they are categorical in nature (for specific programs) and thus may not be used for a basic program of public health services, and in most cases do not even go into the local health department budgets (e.g., alcoholism services, emergency medical services, etc.). The following chart details these funds which represent a mere 12% of the total budget of the state health department for FY '75.

MONIES SHARED WITH LOCAL GOVERNMENTS BY SDHES - FY '75

	<u>Amount Expended</u>	<u>Amount Budgeted by SDHES for Program</u>
"Aid to Local Health Departments" \$	75,510	\$ 105,000
Flathead County Dental Project	6,000	12,000
Family Planning	55,565	711,572
WIC Nutritional Program	26,397	1,075,300
Helena Children & Youth Project	312,050	312,050
Emergency Medical Services	66,000	100,000
Alcoholism Services*	95,693	900,000
Air Quality - Aid to Cities	72,633	72,633
Junk Vehicle Disposal	494,340	900,000
Totals	\$1,204,188	\$4,188,555

*As of 7/1/75 this program transferred to the Department of Institutions.

The federal funds mentioned above (the \$75,510) which Montana receives annually are used partially for block grant aid to local health departments. These funds (the so-called 314d monies) are appropriated under the Public Health Services Act and the total allocation to Montana is \$470,400 per year. As stated above, \$75,510 of them were allocated to local health departments in FY '75, and the total annual allocation has remained at approximately that level since the program first started in 1967. In fact, the amount allocated to local health departments in FY '69 (\$79,628) was more than the amount allocated in FY '75. See the following chart for a county-by-county breakdown of monies budgeted and expended for FY '75.

"AID TO LOCAL HEALTH DEPARTMENTS" PROGRAM

<u>County</u>	<u>Budgeted FY '75</u>	<u>Expended FY '75</u>	<u>County</u>	<u>Budgeted FY '75</u>	<u>Expended FY '75</u>
Beaverhead	\$ 1,318	\$ 1,047	Gallatin	\$ 3,751	\$ 3,697
Big Horn	1,506	757	Garfield	-----	-----
Blaine	-----	-----	Glacier	-----	-----
Broadwater	753	864	Golden Valley	593	862
Carbon	1,208	989	Granite	774	1,335
Carter	-----	-----	Hill	-----	-----
Cascade	22,060	22,060	Jefferson	1,024	864
Chouteau	-----	-----	Judith Basin	767	862
Custer	1,717	1,040	Lake	-----	-----
Daniels	808	1,019	Lewis & Clark	8,328	7,965
Dawson	-----	-----	Liberty	-----	-----
Deer Lodge	2,065	1,335	Lincoln	2,306	2,133
Fallon	905	1,040	Madison	1,002	1,047
Fergus	1,761	863	McCone	-----	-----
Flathead	-----	-----	Meagher	-----	266

County	Budgeted FY '75	Expended FY '75	County	Budgeted FY '75	Expended FY '75
Mineral	\$ 796	\$ -----	Sheridan	\$ 1,078	\$ 1,020
Missoula	10,826	-----	Silver Bow	9,198	-----
Musselshell	-----	-----	Stillwater	963	989
Park	-----	266	Sweet Grass	798	266
Petroleum	568	862	Teton	1,112	1,015
Phillips	1,039	1,014	Toole	-----	-----
Pondera	-----	-----	Treasure	607	757
Powder River	787	1,041	Valley	1,647	1,644
Powell	1,166	1,335	Wheatland	753	862
Prairie	-----	-----	Wibaux	-----	-----
Ravalli	1,941	-----	Yellowstone	13,376	11,940
Richland	-----	-----	"Others"	3,059	-----
Roosevelt	1,537	1,019	Unspecified	-----	678
Rosebud	1,103	757			
Sanders	-----	-----			
			TOTALS	\$105,000	\$75,510

The apparent reason for the disparity between funds budgeted and funds expended is that the state health department felt some local health departments did not comply with the administrative regulations the department has developed to govern the allocation of these monies.

The state health department formula for allocation of these monies to local health departments, also developed by administrative regulation, provides that they shall be expended at the rate of 10¢ per capita, plus lump sum amounts of \$5,000 for a health department with a full-time health officer and \$500 for a health department with a part-time health officer.

The difference between the total appropriation to Montana (\$470,400) and the amount allocated to local health departments (\$75,510) is spent on salaries of state health department employees.

THE PROPOSAL

State Funds for Block Grant Aid to Local Health Departments:

To justify the ever-increasing tendency of both the state legislature and the state health department of assigning public health projects and programs to local health departments, an appropriation amounting to \$1.00 per capita of state population (\$735,300) is being requested of the legislature.

Another argument in favor of such an appropriation would be that even current law mandates that many public health functions (e.g., making inspections for sanitary conditions; guarding against the introduction and spread of communicable diseases) be performed by personnel of local governments. Granted that, in terms of public health personnel, the language of the law specifies only that a board of health

be formed and a health officer be appointed, but it is unrealistic to expect or believe that a physician in the community who also happens to be the health officer will make sanitary inspections of restaurants or provide mass immunizations at the schools. Through this type of language, the law requires, de facto, that additional personnel be employed to perform the day-to-day public health functions, and therefore, it seems appropriate for the state to help finance at least the basic preventive and environmental health programs.

Federal Funds for Block Grant Aid to Local Health Departments:

The federal act appropriating monies which are used for block grant aid for local health departments contains specific language which states that 70% of the funds "shall be available only for the provision of services in communities of the State."² The actual expenditure to local health departments of \$75,510 represents but 16% of the total allocation to Montana.

Therefore, the proposal relating to the federal funds provides that the formula be increased and established statutorily at a minimum of 45¢ per capita with no lump sum amounts. This would raise the total allocation to local health departments to \$332,095 and bring the amount expended to local departments of the total appropriation to Montana up to 70.5%.

In discussing this particular proposal with representatives of the state health department, one finds that the department believes, on the one hand, that it is, in fact, spending these federal funds on "services in communities of the State" by hiring employees who perform functions which the department believes can be justifiably described as local services (although the department is unable to determine, except in a few instances, which of its employees are paid with these monies). On the other hand, personnel of the department have consistently stated that their involvement in the provision of direct services in the communities is minimal - this in connection with another proposal of this project that the department turn over to local public health personnel the provision of most, if not all, direct and/or duplicative services.

In any case, the proposal that 70% of these monies actually be allocated to local health departments for the provision of their basic public health program, is based on the opinion that the intent of Congress in making these monies available to the states was that they be utilized for direct services in the communities of the state, and not for the support of more employees within the state health department, which is already more generously funded than local health departments.

² PL 94-63, Section 102

The following chart will demonstrate the amounts of monies which will be available on a county-by-county basis from these two sources - state and federal - if both proposals are adopted.

PROPOSED

County	State*	Federal**	Total
Beaverhead	\$ 8,300	\$ 3,735	\$ 12,035
Big Horn	10,500	4,725	15,225
Blaine	6,800	3,060	9,860
Broadwater	2,700	1,215	3,915
Carbon	7,900	3,555	11,455
Carter	1,900	855	2,755
Cascade	84,300	37,935	122,235
Chouteau	6,400	2,880	9,280
Custer	12,300	5,535	17,835
Daniels	3,200	1,440	4,640
Dawson	10,900	4,905	15,805
Deer Lodge	15,100	6,795	21,895
Fallon	3,900	1,755	5,655
Fergus	12,900	5,805	18,705
Flathead	42,600	19,170	61,770
Gallatin	36,000	16,200	52,200
Garfield	1,600	800	2,400
Glacier	11,400	5,130	16,530
Golden Valley	1,000	800	1,800
Granite	2,700	1,215	3,915
Hill	17,700	7,965	25,665
Jefferson	6,900	3,105	10,005
Judith Basin	2,700	1,215	3,915
Lake	16,700	7,515	24,215
Lewis & Clark	36,000	16,200	52,200
Liberty	2,300	1,035	3,335
Lincoln	17,000	7,650	24,650
Madison	2,700	1,215	3,915
McCone	5,900	2,655	8,555

PROPOSED

County	State*	Federal**	Total
Meagher	\$ 2,100	\$ 945	\$ 3,045
Mineral	3,600	1,620	5,220
Missoula	63,700	28,665	92,365
Musselshell	4,200	1,890	6,090
Park	11,900	5,355	17,255
Petroleum	1,000	800	1,800
Phillips	5,500	2,475	7,975
Pondera	6,700	3,015	9,715
Powder River	2,200	990	3,190
Powell	7,400	3,330	10,730
Prairie	1,900	855	2,755
Ravalli	17,900	8,055	25,955
Richland	9,900	4,455	14,355
Roosevelt	10,500	4,725	15,225
Rosebud	7,700	3,465	11,165
Sanders	7,800	3,510	11,310
Sheridan	5,300	2,385	7,685
Silver Bow	43,200	19,440	62,640
Stillwater	5,200	2,340	7,540
Sweet Grass	3,100	1,395	4,495
Teton	6,400	2,880	9,280
Toole	5,400	2,430	7,830
Treasure	1,200	800	2,000
Valley	13,000	5,850	18,850
Wheatland	2,500	1,125	3,625
Wibaux	1,400	800	2,200
Yellowstone	94,300	42,435	136,735
TOTALS	\$735,300	\$332,095	\$1,067,395

*Minimum amount to any county - \$1,000 (affects 2 counties)

**Minimum amount to any county - \$800 (affects 5 counties)

If the two foregoing proposals relating to funding for basic local public health programs and services are adopted, sources of future financing would be approximately as shown in the following chart. This chart can be contrasted with the one on page 2 which shows the present funding sources.

AMOUNTS TO BE CONTRIBUTED TO LOCAL HEALTH
DEPARTMENTS BY VARIOUS SOURCES UNDER PROPOSAL

	<u>Amount</u>	<u>Percent of Total</u>
STATE	\$ 735,300	20%
FEDERAL	332,095	9%
*COUNTY	2,000,622	55%
*MUNICIPALITIES	259,559	7%
*SCHOOL DISTRICTS	<u>300,194</u>	<u>8%</u>
	\$ 3,627,770	99%

*Presuming the same amounts are contributed in the future as those contributed in FY '75.

State Funds for Supportive Services for Local Health Departments:

One service provided by the state health department which is vital to the function of local health departments and which is partially funded with the aforementioned 314d funds is the state laboratory. The total amount of these funds which were used for this purpose during FY '76 was \$140,000. Although these certainly couldn't be described as "services in communities of the State", they are essential supportive services which local health departments couldn't, because of the considerable expense involved, be reasonably expected to provide for themselves.

The state laboratory provides testing without charge for a wide range of programs conducted by local health departments including testing for communicable diseases; the quality of community drinking water supplies; purity of foods; etc. It could be budgetary disaster for local health departments if they were required to pay for these services.

Therefore, it is proposed that the state legislature be requested to replace this \$140,000 in the budget of the state laboratory.

Even if these monies are replaced in the laboratory budget, however, it possibly is not too far in the future before local health departments will be asked to pay for the services they obtain from the state lab. The laboratory seems to be chronically underfunded and from year-to-year utilizes monies from the budgets of other bureaus in the department to defray the costs of demands made on the lab by various programs conducted at the state and local levels.

Departmental Funds for Local Public Health Services:

There are two other proposals within the over-all recommendations of the Public Health study which have the potential of accruing significant sums of money to local health departments, although it is impossible to estimate the amounts which might at some time in the future be available as a result of these proposals.

The proposals, as mentioned previously, are that the state health department:

(1) share whatever funds are available to it for the provision of programs for which they utilize personnel of local health departments; and

(2) that all programs and accompanying monies, which involve direct services (as opposed to services which could be described as specialized, consultative, or of a technical assistance nature) be turned over to local health departments to provide.

As to the amounts of money involved in these two proposals, much depends on the degree of cooperation by the state health department and the breadth of their definition of a "direct" service. However, it is possible that the amounts of money resulting from compliance with these two proposals might eventually render it unnecessary to request per capita appropriations for local health departments from the state legislature in the future.

The following chart demonstrates the amounts of money available for the biennium just passed for the various bureaus within the state health department. It is possible that much of this money would be shared with local health departments.

SDHES BUREAU BUDGETS

	<u>F.Y. 1975</u>	<u>F.Y. 1976</u>
Centralized Services Division		
(Administration)	\$ 616,011	\$ 705,835
Health Education Bureau	87,262	80,169
Nursing Bureau	259,167	313,383
Records and Statistics Bureau	140,310	189,657
Dental Health Bureau	73,000	127,896
Maternal and Child Health Bureau	3,175,822	5,081,687
Preventive Health Services Bureau	365,270	376,050
Health Planning and Resource		
Development Division	495,895	444,155
Emergency Medical Services Bureau	311,855	844,927
(Medical Facilities) Licensing and		
Certification Bureau	393,612	476,360
Alcoholism Services	1,011,853	600,000*
(Continued)		

	<u>F.Y. 1975</u>	<u>F.Y. 1976</u>
Environmental Sciences Division (for Environmental Impact Statements)	\$ 30,800	\$ 41,196
Air Quality Bureau	548,023	512,555
Food and Consumer Safety Bureau	219,149	371,372
Occupational Health Bureau	70,642	76,312
Solid Waste Management Bureau	1,088,900	1,409,645
Water Quality Bureau	669,958	858,201
Laboratory Division	328,592	340,070
Public Information Unit	-----	35,000
Legal Division	-----	42,235
Subdivision Bureau	-----	94,984
TOTALS	\$ 9,886,121	\$12,421,689

*Approximate amount per bureau chief. Program transferred to
Department of Institutions effective 7-1-75.

SUMMARY OF APPROPRIATIONS TO BE REQUESTED OF LEGISLATURE

	<u>REQUEST</u>			
	<u>F.Y. 1977</u>	<u>F.Y. 1978</u>	<u>Total for Biennium</u>	<u>Current Appropriation*</u>
Block Grant Aid for Local Health Departments (\$1.00 per capita of <u>State General Fund Money</u>)	\$ 735,300	\$ 735,300	\$1,470,600	\$ 25,000
Block Grant Aid for Local Health Departments (\$.45 per capita of <u>Federal 314d Money</u>)	\$ 332,095	\$ 332,095	\$ 664,190	\$ 210,000
Support for State Laboratory	\$ 140,000	\$ 140,000	\$ 280,000	\$ 280,000**
TOTALS	\$1,207,395	\$1,207,395	\$2,414,790	\$ 515,000

* per biennium

** presently financed with 314d funds

PERMIT COUNTIES TO RETAIN LICENSE FEES COLLECTED BY COUNTIES

CURRENT SITUATION

There are 25 types of license fees that are currently collected by the counties - 50% of the fee is retained by the county and 50% is remitted to the state treasurer to deposit 45% to the general fund and 5% to a fund for the Department of Livestock.

PROPOSAL

The general grant of authority for counties to license activities in Section 47A-9-403 eliminates the necessity for these specific state statutes providing for county licenses:

47A-9-403. SOURCES OF REVENUE. Local governments with general government powers are authorized to finance any services and facilities from:

(2) licenses and permits;

(a) The governing body may by ordinance provide for the licensing of any activity, event, industry, business pursuit, profession, and occupation only to the extent that they affect the general health, safety, well-being, or welfare of its inhabitants, and may issue permits for activities subject to local government regulation.

(b) The governing body shall establish by ordinance the amount for each kind or class or license or permit, the manner in which licenses and permits are issued and revoked, and the penalties for failure to comply with license and permit requirements.

(c) The fees for licenses and permits shall be reasonably related to the cost of regulation.

The replacement of these license statutes would permit counties to enact similar county licenses and retain all the fees. The reduction in state revenues would be approximately \$33,000 per year. This loss could easily be absorbed by the state general fund.

LICENSES COLLECTED BY COUNTIES

Fiscal Year 1974^a

County General Fund (50%)	\$ 29,677.11
State General Fund (45%)	\$ 26,709.40
Earmarked Revenue (5%) (Department of Livestock)	<u>\$ 2,967.71</u>
TOTAL	\$ 59,354.22

Fiscal Year 1975^b

County General Fund (50%)	\$ 32,833.91
State General Fund (45%)	\$ 29,550.52
Earmarked Revenue (5%) (Department of Livestock)	<u>\$ 3,283.59</u>
TOTAL	\$ 65,667.82

^a Department of Administration, Montana Financial Report, 1973-74.

^b Department of Administration, Unpublished Financial Report.

LICENSES REQUIRED TO BE COLLECTED BY COUNTY TREASURER

(Legal References in Parenthesis)

<u>Licenses</u>	<u>Amount</u>	<u>Distribution</u>
Billiard, Pool or Bagatelle Tables	\$3.70/qtr. (84-3201)	50%-County General 45%-State General (84-2708) 5%-Bounty
Bowling Alleys	\$5.00/qtr. (84-3201) per alley	"
Theaters	\$100/yr. or (84-3201) \$2.00/performance	"
Opera, Concert Singers	\$3.00/exhib. (84-3201)	"
Minstrels	\$5.00/perf. (84-3201)	"
Variety, Concerts	\$75/month (84-3201)	"
Traveling Tent Shows, Carnivals, etc.	Traveling in (84-3201) 25 R.R. cars or less - \$75/day, more than 25 R.R. cars - \$200/day 10 trucks or less - \$25/day 11-25 trucks - \$50/day more than 25 trucks - \$75/day	"
Pawnbroker	\$55/qtr. (84-3201)	"
Intelligence Office	\$10/qtr. (84-3201)	"
Shooting Galleries	\$15/qtr. (84-3201)	"
Railways acting as Warehouses	\$10/qtr. (84-3202)	"
Manufacturer of Soft Drinks	Population (84-3203) of: above 3,000 - \$15/qtr. 1,000 - 3,000 - \$10/qtr. below 1,000 - \$5/qtr.	"

<u>Licenses</u>	<u>Amount</u>	<u>Distribution</u>
Roller and Ice Skating Rinks, Merry-go-rounds	Population (84-3204) of: above 10,000 - \$60/6 mos. 5,000-10,000 - \$40/6 mos. below 5,000 - \$25/6 mos.	50%-County General 45%-State Gen. (84-2708) 5%-Bounty
Architects, Builders, Contractors, and Manufacturers	Above \$15,000 (84-3207) a year in business - \$10/qtr.	"
Malt Manufacturers (Out of State)	\$100/yr. (84-3208)	"
Transient Retail Merchants	\$5/week (84-3701 & 84-3702)	"
Itinerant Drug Vendors	\$50/ur. (84-3101)	"
Hucksters	\$15/6 mos. (84-2902)	"
Butchers	\$5/yr. (46-502)	County General (46-502)
Meat Peddlers	\$100/yr. (46-502)	"
Employment Agencies	\$5/yr. (41-1402)	50%-County General 45%-State Gen. (84-2708) 5%-Bounty
Wage Brokers	Fee set by (41-1502) County Commissioners	"
Ferries	Fee set by (16-1019) County Commissioners	"
Dance Halls	Fee set by (16-1168) County Commissioners FROM \$5 - \$25/yr. FROM \$1-\$5/single dance	"
Laundries	\$10/qtr. (84-3206)	"

NEW STATE PROGRAMS FOR LOCAL GOVERNMENTS

STATE FINANCING OF TECHNICAL ASSISTANCE FOUNDATION
FOR LOCAL GOVERNMENTS

The State Commission on Local Government created a special subcommittee on technical assistance to review the need for a state role in technical assistance to local governments and to develop recommendations for consideration by the commission (see Table 3). The subcommittee invited additional representatives of local and state government to attend committee meetings and present information. The committee met four times and reviewed the following options for providing technical assistance:

- (1) No recommendation.
- (2) Appropriate to DCA for creating a permanent technical assistance division in the Department of Community Affairs to provide the technical assistance. Funds would be used to provide both a state staff and grants to individual local governments.
- (3) DCA contracting separately with the League of Cities and Association of Counties to provide technical assistance.
- (4) DCA contracting with a joint foundation created by the Association of Counties and League of Cities and Towns to provide technical assistance.
- (5) DCA making direct grants to individual local governments to hire staff.
- (6) Appropriate to individual state departments to provide technical assistance.
- (7) DCA contracting with major counties and cities to provide technical assistance to smaller units of local government.
- (8) Appropriate funds to University Bureau of Government Research to provide technical assistance.

After reviewing the options and considering the experience of other states in providing technical assistance the subcommittee recommended to the Commission and the Commission adopted a resolution recommending:

A state appropriation to the Department of Community Affairs to permit the department to contract with a joint technical assistance foundation created by the Montana Association of Counties and the Montana League of Cities and Towns.

A proposed program budget was approved (see Table 1) with the additional recommendation that the legislature appropriate additional funds for the last three months of fiscal year 1977 to

permit the foundation to begin operation April 1, 1977, so that it can provide technical assistance during the transition to the new local government code.

The executive boards of the League of Cities and Towns and the Montana Association of Counties have approved the creation of the joint foundation and are currently reviewing proposed articles of incorporation and by-laws for the foundation.

The priority programs for the joint foundation are listed in the program budget. The three major programs to implement the local government code include:

Development of Manual

A handbook must be developed to assist local officials in understanding and implementing the new "local government code." Following the manual's publication, sessions will have to be held at a district or regional basis to explain the manual, how to use it, and its use.

Administrative Manual

Since organization and duties will not be specified in the new code, it will be necessary to prepare an administrative manual with model structures, model ordinances assigning duties, and outlining administrative details. Local sessions will have to be held to explain the manual and its use.

Model Ordinances

Ordinances will be used for local governments to provide structure and services as well as other actions. The development of a set of model ordinances will provide guidelines for local officials to follow.

The proposed budget of \$228,300 for Fiscal Year 1978 and \$251,396 for Fiscal Year 1979 would provide for a staff consisting of:

- Coordinator
- Attorney
- Finance Specialist
- Organization Specialist
- Personnel and Training Specialist
- Public Works Specialist
- Office Manager - Bookkeeper
- Stenographer-Typist

Need for Technical Assistance

The overwhelming majority of Montana local governments do not have the financial resources to retain personnel competent in all areas of municipal and county administration. There are

increasing demands on local government created by citizens, state and federal laws and agencies and economic conditions such as inflation, and meeting these increasing demands requires technical competency not readily available to local governments.

The state can significantly improve the capacity of local governments by financing technical assistance that would otherwise only be available to individual governments at prohibitive costs.

Thus, the 182 cities, towns and counties through a joint foundation could have a shared staff with the skills necessary for effective local government administration.

A shared staff could:

- (1) prepare manuals for use of local officials and employees;
- (2) conduct workshop and other training sessions to up-grade local capacities;
- (3) perform a liaison function between state agencies and local governments including the use of state agency personnel by local governments;
- (4) share innovative ideas among units of local government;
- (5) be available for short temporary consulting assignments to individual local governments.

We believe that a corps of local government specialists in the foundation will greatly facilitate the use of existing state expertise in solving local government problems. The ready availability of assistance will encourage local officials to take the initiative in solving problems that they now try to avoid because they lack the necessary assistance to develop solutions. The shared staff will be a natural conduit for sharing ideas between local governments and encouraging cooperative and multi-county solution to problems.

The program needs a substantial appropriation for publication of manuals and other guides for local officials and for travel to meet and consult with local officials and conduct training sessions.

Technical assistance for new local governments in developing model municipal and county ordinances, new department structures, personnel, record and EDP systems are especially important. Assistance in creating interlocal agreements and cooperate service delivery systems for fire, police, health, solid waste disposal, etc. could greatly reduce the pressure of rising costs.

The technical assistance to local governments that would be provided by the staff could result in significant local economies resulting from improved management and productivity. Information that could improve local services will be readily available to local officials and employees. The same level of information and technical assistance would otherwise be available to individual governments only at prohibitive cost.

The responses to the League of Cities and Towns questionnaire demonstrate that there is a strong desire for increased technical assistance by local elected officials.

While priorities are for implementation of the code it is reasonable to believe that the foundation will also consider programs to:

- (1) Serve as a "one-stop - one-call" clearing house for information of existing technical assistance from DCA and other state and federal agencies and local government associations.

- (2) Prepare and publish a guide to technical assistance.

- (3) Coordinate existing training programs.

- (4) Publish a newsletter to share information with local officials.

- (5) Prepare "how-to-cookbook" manuals on specific local government service and management problems.

- (6) Prepare and publish annual reports on local government revenue and expenditures, state aid, new state laws effecting local governments, personnel directory of local governments, annual budgets, annual tax levies, surveys of service charges, and surveys of salary scales.

- (7) Develop a local government technical library of information to be loaned to local officers and employees.

A list of potential areas for technical assistance and training and potential publications is attached as Tables 5 and 6.

Will This Duplicate Existing Technical Assistance?

The program of the foundation is designed to complement not duplicate existing technical assistance to local governments provided by individual state departments and the League of Cities and Towns and the Montana Association of Counties. The Commission believes the foundation will be able to serve as a clearinghouse for all existing technical assistance and will permit local governments to better utilize and manage federal, state and local resources that are available to them.

Why Create a Foundation?

The Commission has considered both options of granting the funds to the separate League of Cities and Towns and the Montana Association of Counties or creating a division within the Department of Community Affairs to provide increased technical assistance. The Commission feels both options are unsatisfactory. Splitting

the funds between the two local organizations would fragment scarce resources and inhibit creation of joint programs for both municipalities and counties. The direct use of state funds by the two associations might also create a conflict of interest in regard to their lobbying the legislature on behalf of their members.

While a similar team of local government consultants could be provided for in the Department of Community Affairs along with an advisory committee of local officials to establish priorities, the Commission feels that local governments would be less likely to use technical assistance from an agency that also has regulatory powers over local government.

Why Can't Local Governments Finance Their Own Technical Assistance Programs?

Through dues to the League of Cities and Towns and the Montana Association of Counties local governments are financing significant technical assistance for themselves and it is hoped that the services provided by the core staff of professionals in the foundation will encourage local governments individually to contract for additional individual services from the foundation. State financing of technical assistance to local governments is appropriate because of the duties and requirements imposed by the state on local governments and because of the state's interest in effectively organized and managed local governments. The strengthening of local government management will reduce the pressures on the state to provide services directly.

TABLE 1

LOCAL GOVERNMENT TECHNICAL ASSISTANCE BUDGET

Staff:	FY '78	FY '79
Coordinator	\$18,000	\$20,000
Attorney	15,000	17,000
Finance	14,500	16,000
Organization	14,500	16,000
Personnel and Training	14,500	16,000
Public Works	14,500	16,000
Office Manager - Bookkeeper	8,400	9,600
Steno-Typist	6,600	7,500
	<u>\$106,000</u>	<u>\$118,100</u>
Fringes (16%)	16,960	18,896
TOTAL	<u>\$122,960</u>	<u>\$136,996</u>
Operating Costs:		
Facilities and Insurance	\$12,000	\$12,000
Printing	4,500	5,000
Communications	4,500	6,000
Supplies	3,000	2,500
Capital Outlay		
(3) Calculators	1,000	
(4) Filing Cabinets	400	400
(6) Bookcases	720	
(8) Desks and Chairs	4,400	
Dictating Equipment	2,500	
Copying Machine	1,600	
Conference Table	250	
Misc.		1,000
Memberships and Dues	<u>1,500</u>	<u>1,500</u>
TOTAL	\$36,370	\$28,400
Travel:		
Staff	\$ 8,000	\$15,000
Boards and Committees	<u>4,000</u>	<u>4,000</u>
TOTAL	<u>\$12,000</u>	<u>\$19,000</u>
Contracted Services:		
Handbook	\$15,000	
Transportation		\$25,000
Management Training	<u>42,000</u>	<u>42,000</u>
TOTAL	<u>\$57,000</u>	<u>\$67,000</u>

GRAND TOTAL EXPENSES: FY '77 = \$57,000 * FY '78 = \$228,330 FY '79 = \$251,396

* for April, May, June 1977

PROGRAM BUDGET

LOCAL GOVERNMENT INSTITUTE

1. Administration Program

Staff training; staff supervision; staff coordination; budget and financial administration; program planning; and administrative services (purchasing, filing, typing, mailing, etc.)

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	624	416
Attorney	104	104
Finance	104	104
Organization	104	104
Personnel and Training	104	104
Public Works	104	104
Office Manager	2080	2080
Steno-Typist	2080	2080

Budget

Salaries	\$24,048	\$25,152
Fringe Benefits (16%)	3,848	4,024
	<u>\$27,896</u>	<u>\$29,176</u>
Direct Costs & Overhead (36%)	10,043	(32%) 9,336
Board and Committee Travel	4,000	4,000
Total	<u>\$41,939</u>	<u>\$42,512</u>

2. Development and Training on Administrative Manual

An administrative manual must be developed to assist local units since organization and duties will not be specified in the Code of Local Government. The manual will deal with model structure, administrative ordinances and administrative details. Local training sessions must be held on the use and implementation of the manual.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	208	208
Attorney	624	208
Finance	416	208
Organization	624	416
Personnel and Training	624	416
Public Works	624	312

Budget

Salaries	\$22,245	\$14,097
Fringe Benefits	3,559	2,256
	<u>\$25,804</u>	<u>\$16,353</u>
Direct Costs and Overhead	9,290	5,233
Total	<u>\$35,094</u>	<u>\$21,586</u>

3. Model Ordinances

Legislative authority will require local units to enact ordinances to provide services, structure and financing. It will be necessary to supply model guidelines for local officials reference and use.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	208	208
Attorney	1040	832
Finance	624	312
Organization	416	203
Personnel and Training	416	208
Public Works	416	208
	<u>Budget</u>	
Salaries	\$22,360	\$16,002
Fringes	3,577	2,560
	<u>\$25,937</u>	<u>\$18,562</u>
Direct Costs and Overhead	9,442	5,501
Total	<u>\$35,379</u>	<u>\$24,063</u>

4. Development of Manual and Training about New Code of Local Government

A handbook must be developed to assist local officials in understanding and implementing the new "Code of Local Government". Following the manual's publication, sessions must be held at the local level to explain the manual and how to use it.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	104	208
Attorney	104	104
Finance	104	104
Organization	104	104
Personnel and Training	104	104
Public Works	104	104
	<u>Budget</u>	
Salaries	\$ 4,550	\$ 6,051
Fringe Benefits	728	968
	<u>\$ 5,278</u>	<u>\$ 7,019</u>
Direct Costs and Overhead	1,900	2,246
Contracted Services	15,000	
Total	<u>\$22,178</u>	<u>\$ 9,265</u>

5. Management and Administrative Assistance

The increased emphasis being placed on local officials will require increased management expertise. It will be essential that technical assistance be provided to improve the capability of management at the local level. The assistance will cover the areas of public administration; plans and priorities; goals and objectives; first-line supervisory responsibility; public relations; purchasing; and citizen participation.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	208	208
Finance	104	208
Organization	208	208
Personnel and Training	312	208
Public Works	104	208

Budget

Salaries	\$ 6,874	\$ 8,401
Fringe Benefits	1,100	1,344
	<u>\$ 7,974</u>	<u>\$ 9,745</u>
Direct Costs and Overhead	2,870	3,118
Contracted Services	42,000	42,000
Total	<u>\$52,844</u>	<u>\$54,863</u>

6. Financial Management Assistance

Assistance is needed in the areas of public investing, program budgeting, cash management, revenue sources and debt management. This program requires close coordination with the Department of Community Affairs.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	208	208
Attorney		104
Finance	416	624
Organization	104	208
Personnel and Training	104	104
Public Works	104	104

Budget

Salaries	\$ 6,874	\$10,850
Fringe Benefits	1,100	1,736
	<u>\$ 7,974</u>	<u>\$12,586</u>
Direct Costs and Overhead	2,871	4,028
Total	<u>\$10,844</u>	<u>\$16,614</u>

7. Personnel Administration Assistance

Assistance in development of affirmative action plans and programs; job classification; wages and salary administration including salary surveys; collective bargaining; and contract administration.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	104	208
Attorney	104	416
Finance	208	208
Organization	104	208
Personnel and Training	312	624
Public Works	104	104

	<u>Budget</u>	
Salaries	\$ 6,725	\$14,199
Fringe Benefits	1,076	2,272
	<u>\$ 7,801</u>	<u>\$16,471</u>
Direct Costs and Overhead	2,808	5,271
Total	<u>\$10,609</u>	<u>\$21,742</u>

8. Orientation Program

An annual program to provide newly elected officials with a background to learn local government more rapidly. The complexity of local financing, services and structure will make this program increasingly important.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	104	104
Attorney	104	208
Finance	104	104
Organization	104	208
Personnel and Training	104	104
Public Works	104	208

	<u>Budget</u>	
Salaries	\$ 4,550	\$ 7,499
Fringe Benefits	728	1,200
	<u>\$ 5,278</u>	<u>\$ 8,699</u>
Direct Costs and Overhead	1,900	2,784
Total	<u>\$ 7,178</u>	<u>\$11,482</u>

9. Transportation Assistance

Improved record keeping systems; development of standards and specifications; transportation planning; development of model bid specifications; and training on equipment maintenance and operation.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	104	208
Finance		104
Organization	208	208
Personnel and Training		104
Public Works	208	416

	<u>Budget</u>	
Salaries	\$ 3,800	\$ 8,400
Fringe Benefits	608	1,344
	<u>\$ 4,408</u>	<u>\$ 9,744</u>
Direct Costs and Overhead	1,587	3,118
Contracted Services		25,000
Total	<u>\$ 5,995</u>	<u>\$37,862</u>

10. Solid Waste Assistance

Assistance will be available in the areas of disposal techniques, cost analysis and model bid specifications. Close coordination will be necessary with the Department of Health and Environmental Sciences to avoid duplication.

<u>Position</u>	<u>Man Hours Annually</u>	
	<u>FY '78</u>	<u>FY '79</u>
Coordinator	208	104
Attorney		104
Finance		104
Organization	104	208
Personnel and Training		104
Public Works	208	312
<u>Budget</u>		
Salaries	\$ 3,974	\$ 7,449
Fringe Benefits	636	1,192
	<u>\$ 4,610</u>	<u>\$ 8,641</u>
Direct Costs and Overhead	1,659	2,765
Total	<u>\$ 6,269</u>	<u>\$11,406</u>
GRAND TOTAL EXPENSES	FY '78 = \$228,330	FY '79 = \$251,396

SUBCOMMITTEE ON TECHNICAL ASSISTANCE

MEMBERS AND INVITED GUESTS

Committee Members

Carroll South, Chairman - State Commission on Local Government,
State Legislator, Miles City

Harold Fryslie - State Commission on Local Government,
City Manager, Bozeman

Ray Lynch - State Commission on Local Government, Mayor,
Dillon

John Nesbo - State Commission on Local Government,
County Commissioner, Toole County

Edmund P. Sedivy - President of League of Cities and Towns,
Mayor, Bozeman

Dale L. Skaalure - First Vice President, Montana Association of
Counties, County Commissioner, Chouteau County

Advisory Members

Dan Mizner - Executive Director, League of Cities and Towns

Dean Zinnecker - Executive Director, Montana Association of
Counties

Judy Carlson - Director, Department of Community Affairs

Dale Harris - Staff Director, State Commission on Local
Government

Invited Guests

Chuck Painter - Administrative Officer, Missoula County

Richard Curry - Chief of the Training Bureau, Department of
Administration

Freeman Wright - Deputy Commissioner for Academic Affairs,
Office of the Commissioner of Higher Education

George Pendergast - Administrator of the Local Government Services
Division of Department of Community Affairs

Invited Guests Continued

Glen Drake - State Commission on Local Government, State
Senator, Helena

Duke Crowley - Professor of Law, University of Montana Law School

Dick Haines - Professor of Political Science, Montana State
University

Dick Thomas - City Manager, Great Falls

Vern House - Economist, Cooperative Extension Service, Bozeman

Arlene Loble - Administrative Assistant, City of Helena

Al Thelen - City Manager, City of Helena

Sandra Muckelston - Assistant Dean, University of Montana Law
School

Charles H. Rust - Program Coordinator, Cooperative Extension Service,
Bozeman

NEED FOR TECHNICAL ASSISTANCE#

Indicated whether state assistance in the following areas is adequate or inadequate:

	<u>Adequate*</u>	<u>Inadequate*</u>
Codification of Ordinances	72	169
Youth Guidance Centers	61	156
Drafting of Ordinance	78	154
Juvenile Homes	60	153
Preparation of Bond Issues	72	152
Child Care Centers	59	151
Off-Street Parking	61	151
Automatic Data Processing	65	150
Urban Renewal	64	147
Jails	67	146
Lighting Engineering Assistance	70	145
Licensing of Animals	67	144
Housing	70	143
Grant Application	92	143
Creation of Special Districts	80	142
Personnel Management	80	141
Marketing and Bonds	73	140
Debt Management	77	139
Purchasing	79	138
Annexation	82	138
Labor Relations	79	137
Structure and Department Organization	83	137
Zoning	84	137
Capital Budgeting	77	135
Investment	86	134
Subdivision Control	82	133
Insurance	87	133
Street Engineering Assistance	94	132
Records Management	86	131
Recreational Programs	93	131
Interlocal Agreements	89	130
Road Construction	94	130
Water Engineering Assistance	106	130
Construction Regulation	80	128
Libraries	91	128
Airports	88	126
Parks	96	126
Senior Citizen Centers	96	126
Solid Waste Collection	101	125
Health Services	94	122
Sewerage	112	116
Fire Protection	109	115
Traffic Control	107	111
Water	119	103
Revenue Sharing	138	93
Law Enforcement	124	92
Accounting System	150	77

*Number of responses.

Responses from a survey of 1,000 city clerks and aldermen from 111 of 126 Montana municipalities conducted by the Montana League of Cities and Towns and the State Commission on Local Government.

Does your municipality receive sufficient technical assistance from state agencies?

Yes	183
No	79
No ans.	13

Should a state department be given the responsibility of providing technical assistance to local governments?

Yes	182
No	80
No ans.	13

Should state agencies provide the following services?

A. Provide information on and interpret state statutes and regulations

Yes	252
No	22
No ans.	1

B. Provide training programs and manuals

Yes	193
No	77
No ans.	5

C. Assist in grant preparation

Yes	213
No	59
No ans.	3

D. Provide engineering consulting services

Yes	197
No	75
No ans.	3

E. Serve as a liaison for contacting state agencies in regard to local problems

Yes	219
No	52
No ans.	4

TABLE 5

POTENTIAL TECHNICAL ASSISTANCE
AND TRAINING SUBJECTS

I. Structure and Organization of Local Governments

Local Government Structure

Charter Drafting

Home Rule

Department Structure

Service Consolidation Studies

Service Transfer Studies

Annexation

Incorporation

Creation of Authorities and Special Districts

Population Studies

Interlocal Agreements

Councils of Governments

II. Finance of Local Government

Accounting Systems

Program Budgeting

Revenue Sharing

Grant Applications

Capitol Budgeting

Productivity Studies

Debt Management

Marketing of Bonds

Financial Administration

Alternative Tax Sources

Purchasing

Insurance

Tax Administration - Collection

III. Management

Management Studies

Management and Supervisory Techniques

Automatic Data Processing Systems

Records Management Systems for land, water, court records
and public relations

Community Relations

Department Management Studies

Work Task Studies

Court Administration and Records

Communication Systems

Mail Processing

Utility Management

IV. Personnel Administration

Job Classification

Personnel Records

Civil Service Testing

Recruitment Assistance

Personnel Office Operations

Labor Relations

V. Legal

Drafting of ordinances and resolutions

Codification of Ordinances

Preparation of Contracts and Bond Issues

Schools for Justice of the Peace and Justice Judges

Manuals, Memorandums, and Briefing on new developments in State and Federal laws and regulations

VI. Engineering Services

Feasibility studies for sewer and water systems, streets, street lights, etc.

VII. General Services

Technical assistance for following services:

Agricultural Services

(Extension services, stock inspection, livestock shows, weed control, predator control)

Community Planning, Land Use Control Services

(Subdivision control, zoning, construction regulations, open space, urban renewal)

Correctional Services

(Jails, juvenile homes)

Fire Protection

(City and rural fire districts)

Health Services

Housing Services

Human Resource Services

(Child care centers, senior citizen centers, youth guidance centers)

Law Enforcement Services

(Police and sheriff departments)

Libraries, Art Galleries and Museum Services

Licensing and Regulation of Animal Services

Licensing and Regulation of Occupations, Business Services and Industries

Motor Vehicle and Traffic Control Services

Public Enterprises

(Water supply and distribution, sewage and solid waste collection and disposal, airports, off-street parking facilities, housing)

Public Facilities
(Governmental Buildings)

Recreational Services
(Parks, race track, playground)

Road Services
(Construction and Maintenance)

POSSIBLE PUBLICATIONS

- Monthly Newsletter
- A Catalog of Financial and Technical Assistance for Local Governments
- A Guide to Training Activities for Local Governments
- Personnel Practices for Small Municipalities
- Fiscal Management Handbook
- Capital Budget Manual
- Handbook of Public Works Management
- A Purchasing Guide
- Maximum and Minimum Salaries
- Local Election Administrators
- Introduction to Modern Budgeting
- County Board Reapportionment Handbook
- Investment of Surplus Funds
- A Handbook for Council Members
- A Handbook for Mayors
- Handbook for County Officials
- Handbook for the County Treasurer
- Handbook for the County Clerk and Recorder
- Handbook for the Clerk of the District Court
- Handbook for the City Clerk
- A Guide to Interlocal Cooperation
- Model City Code
- Model City/County Charter
- Community Parks and Recreation
- Cable Television Regulation
- Search Warrants: Forms and Instructions
- Bus Transit

--Local Government Tort Liability

--Municipal Refuse Operations

CREATION OF AN ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS

The Commission recommends the creation of a State Advisory Council on Intergovernmental Relations to review intergovernmental problems, to develop recommendations and to provide information. The Advisory Council on Intergovernmental Relations would consist of municipal, county, and school officials, representatives of state and federal agencies, legislators, and representatives of the Governor and the judicial branch. The council would be attached to the Department of Community Affairs for administrative purposes and would function without a research staff. All research, information and staff assistance would be provided by local governments and agencies represented on the council. An annual budget of \$70,000 would be recommended for travel, per diem and expenses, publication of research reports, and a council coordinator and secretary. The council would replace the existing State Commission on Local Government and the existing Governor's Advisory Council on Local Government.

Ten states have created state advisory councils on local government in recent years. These states include: Arizona, California, Kansas, Maine, Texas, Florida, Georgia, Massachusetts, Michigan, and Pennsylvania. Five of the groups were established in 1975.

The Pennsylvania Intergovernmental Council was established in 1975. At its first annual session, Governor Shapp said that the "council was established to foster effective intergovernmental communication, distribution of information pertinent and related to that goal, as well as to encourage participation among the various levels of government in matters of similar interest."

Massachusetts Governor Michael Dukakis created the Local Government Advisory Committee composed of mayors, selectmen, councilmen, and managers to provide a vehicle to improve communications between state and local government officials. In creating the committee, the governor said that he hoped the panel would help "bridge the gap between town hall and the state house" and that "all municipal officials ... consider the panel their advocate in the governor's office."

The Michigan Council on Intergovernmental Relations was formed by the Michigan Association of Counties, the Michigan Association of Regions, the Michigan Municipal League, the Michigan Townships Association, and the State Office of Intergovernmental Relations, "to serve as a forum for the discussion and coordinated action on mutual problems." Topics to be considered by the council are the renewal of federal revenue sharing, the coordination of local government training programs, procedures for conducting the 1980 census, and the establishment of joint relations with the Chicago Federal Regional Council.

Florida Governor Reubin Askew established, by executive order, the Florida Forum, composed of the state's two U. S. Senators and two members of the House delegation, state legislative and executive branch officials, mayors, and county officials. The forum is to meet regularly to determine the impact of federal and state programs on local governments.

Georgia Governor George Busbee issued an executive order establishing the Georgia Intergovernmental Relations Council. The governor serves as the chairman of the council which was created "to serve as a forum for communication, especially on matters that have traditionally been a source of conflict between the state and local governments."

The council would be a more effective forum for intergovernmental discussions than either the Commission on Local Government or the Governor's Advisory Council on Local Government because it would contain representatives of all levels of government: city, county, school, state legislature, executive, judicial and federal. The council would have no executive authority, but serve only as a forum to identify and discuss mutual problems and opportunities.

The Statement of State-Local Goals and Objectives adopted by this Commission at the May, 1976 meeting would be an appropriate list of initial issues for the commission to review and consider methods of implementation. Through discussion, individual priorities would emerge such as a process for review and comment by local governments on state agency regulations and a review of county responsibility for administration of school district finances.

All groups represented on the council would have the opportunity to refer issues to the council for discussion and all groups represented would periodically be requested to provide research and information on issues under consideration. The budget anticipates a small sum for contracted services that could be used to help with such research. Proposals developed by the council could be referred to member groups for implementation and further action.

The Commission recommendation as to the composition of the Montana Advisory Council on Intergovernmental Relations is:

(a) two county officials, two municipal officials, and two school district officials who shall be appointed by the governor from lists submitted by their respective state associations;

(b) one state senator appointed by the president of the senate and one member of the house of representatives appointed by the speaker of the house;

(c) the director of the department of community affairs;

(d) one representative of the state court system appointed by the chief justice of the Montana supreme court;

(e) one representative of federal agencies appointed by the

governor; and

(f) four representatives of the people of Montana, including one representative of the business community, one representative of labor and one representative of agriculture, who shall be appointed by the governor.

ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS

ANNUAL BUDGET

Advisory Committee:	15 Members		
	Bi-monthly Meetings		
Staff:			
Salaries:	Director	\$21,000	
	Secretary	\$ 7,500	
			\$28,500
Benefits:	Director	\$ 2,605	
	Secretary	\$ 1,008	
			\$ 3,613
Commission Compensation and Travel:			\$11,000
Staff Travel:			\$ 3,000
Contracted Services:			\$14,200
Operating Expenses:	Rent	\$ 1,200	
	Telephone	\$ 900	
	Office Equip-		
	ment	\$ 1,200	
	Supplies	\$ 800	
	Postage	\$ 787	
	Printing &		
	Copying	\$ 5,000	
			\$ 9,887
	TOTAL		\$70,000

STATE-LOCAL GOVERNMENT RELATIONS*
GOALS AND OBJECTIVES

GOALS

- I Sufficient local authority and flexibility
- II Effective local government structures
- III Improvement of local government management
- IV Efficient and coordinated delivery of services by
by local governments
- V Rational, coordinated pattern of state-local relations
- VI Balanced state-local fiscal system
- VII Orderly development of communities

GOALS AND OBJECTIVES

- I Sufficient local authority and flexibility
 - Permit adoption of self-government powers by all
local governments
 - Enact flexible local government code
 - Review impact of all proposed legislation on local
governments
- II Effective local government structures
 - Permit adoption of forms of local government that
provide representation, management and accountability
 - Permit consolidation of cities and counties
 - Permit disincorporation of communities
 - Encourage city-county cooperation
 - Encourage use of service districts
 - Discourage creation of independent special districts
- III Improvement of local government management
 - Provide inservice training to officials and employees
 - Encourage BA and MA programs in public administration
 - Provide technical manuals for local officials and
employees
 - Provide technical assistance
 - Provide local government technical library
 - Facilitate application of modern technology to local
government

IV Efficient and coordinated delivery of services by local governments

- Identify services to be mandated, services to be regulated, and services to be financed by the state
- Identify and reallocate responsibility for delivery and financing of services by state and local governments
- Consider local governments more as prime providers of governmental services
- Encourage cooperation between municipalities and counties
- Encourage use of service districts
- Coordinate state supervision of local governments in delivery of services
- Provide technical assistance
- Evaluate necessity of state supervision of local services

V Rational and coordinated pattern of state-local relations

- Create state advisory commission on intergovernmental relations
- Staff legislative committee on local government or community affairs
- Create interagency community affairs cabinet
- DCA coordinate state-local relations
- DCA provide training and technical assistance
- DCA prepare and publish manuals for local officials
- DCA publish directory of state services to local governments
- DCA monitor state, federal programs for local government impact
- DCA publish a management memo system to coordinate flow of state information to local governments
- University system continue research on local government problems
- University provide technical assistance to local governments
- Reorganization of executive branch to coordinate community development where appropriate through transfer of functions, programs and divisions to DCA

VI Balanced state-local fiscal system

- Develop and install uniform local government accounting system
- Develop and publish annual financial reports on local government revenue, expenditures and debts
- Prepare financial report on total state-local public expenditures and revenue

- Use such a report to evaluate impact of state budget on local government finance and services
- Evaluate financial impact of all legislation and regulations on local government
- Identify state programs mandated on local government and provide state financing
- State assume administrative and financial responsibility for certain services now financed and administered by local governments
- Authorize revenue option of local government taxes including an income tax
- Coordinate existing system of state financial aid
- Adjust state financial aid to provide significant revenue distributed on the basis of fiscal capacity, need and effort
- Reduce dependence of municipal and county government on property tax
- Encourage use of service charges to recover cost of services
- Encourage use of service districts
- *Provide financial management assistance for budgeting, information systems, accounting, investment, bonding, etc.
- Integrate and/or interface state and local budgeting and accounting systems to trace intergovernmental transfers
- *State assist local government to apply for federal funds

VII Orderly development of communities

- State study local urban growth policy
- Study to examine:
 - authority to control residential, commercial, and industrial location
 - community physical facilities and needs [water, sewers, parks, streets, public buildings and public transit]
 - program to aid in financing of capital improvements
 - community housing needs
 - system development changes for new growth areas
 - preservation of urban business and residential centers
 - stabilization of rural communities

1.303 STATE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS¹

The public service needs generated by urbanization, technological change, and economic uncertainty many times surpass the geographic base, administrative structure, and fiscal capacity of individual local governments. Pollution, crime, congestion, unemployment, inferior education, substandard housing, and inadequate health care, among others, are problems of national and statewide as well as local significance.

The states in particular have a major role in meeting these challenges, either directly or in concert with their political subdivisions. While many states have begun to take remedial action or have provided local governments with the fiscal, functional, structural, and personnel authority to do so, much more needs to be done to ensure that coordination rather than conflict will characterize state-local relationships. One way in which this objective can be achieved is through the creation of a state advisory commission on intergovernmental relations.

The attached suggested legislation provides for the establishment of a permanent state advisory commission on intergovernmental relations to study governmental structure, finances, functional performance, and relationships at the local, regional, state, and interstate levels. It establishes a framework for the formulation of recommended solutions to interlevel problems.

Through a broad based, bipartisan membership structure, diverse viewpoints can be applied to the difficult challenges facing state and local governments, and workable approaches to resolving them can be developed. Such commission representation is achieved through a balanced mix of members coming from the general public, the executive and legislative branches of state government, and all of the basic local units within the state — counties, cities, and other political subdivisions. While the latter could include school districts or special districts, the basic thrust of the commission's work should be oriented to general purpose governmental units. In addition, even though the state advisory commission on intergovernmental relations is essentially a state-local body, the significant impact of Federal assistance and policy decisions on state and local operations requires consideration of an option for representation from Federal agencies doing business in the state. Depending on the nature of state and local elections, members might be appointed without regard to political affiliation, or in such a way as to achieve an even or nearly even partisan balance.

The permanence of the state advisory commission on intergovernmental relations is underscored by the assignment of an ongoing mandate to the commission, the procedures for readily filling vacancies, and avoidance of a termination date. Professionalism is ensured by authorizations for an executive director and staff. Finally, conducting hearings, submitting reports, and drafting and disseminating statutes, constitutional amendments, and model local ordinances, are means for calling the recommendations of the commission to the attention of decisionmakers and enhancing implementation prospects.

Several states already have units that perform some of the functions that a state advisory commission on intergovernmental relations would assume. Over four-fifths have a Federal-state coordinating body. Thirty-one states have active commissions on interstate cooperation, and 42 have departments, offices, or other agencies that give exclusive attention to community affairs. A number of other states have set up councils of local affairs, usually by executive order, as advisory and coordinating units attached to the governor or to specific state agencies.

These organizations are indicative of growing state and local awareness of the need to deal with problems on an interlevel basis. Their informational, technical assistance, and tension reducing functions are undoubtedly useful. Yet the absence of local representation in many cases, along with their predominantly operational thrust and relatively narrow jurisdictional focus, makes most of these instrumentalities unsuitable for the broad gauge research, analysis, problem solving, and advisory activities that will be needed in the years ahead and that are anticipated by this bill.

¹Derived from: Advisory Commission on Intergovernmental Relations, *The Challenge of Local Governmental Reorganization*, Volume III of *Substate Regionalism and the Federal System* (Washington, D.C.: U.S. Government Printing Office, February, 1974)

Source: ACIR State Legislative Program, Vol. 1, State Government Structure and Process, (M-92), p. 43.

Another approach that has been taken by 17 states since 1968 has been the appointment of temporary study commissions to address certain pressing state-local and local governmental problems. While the reports that they have produced are generally impressive, the effectiveness of these bodies has been limited by their temporary nature. Once the studies were completed, their recommendations were left to others for explanation and attempted implementation.

This suggested legislation is geared to overcoming the shortcomings of these more limited approaches to state-local cooperation. The recommendation on which it is based is contained in Volume III of the Commission's report on *Substate Regionalism and the Federal System*. The bill is based upon experience with state ACIR's in Arizona, California, Kansas, Maine, and Texas.

Section 1 sets out the need and purpose for a state advisory commission on intergovernmental relations.

Sections 2 creates the commission; *Section 3* establishes its membership; and *Section 4* outlines the commission's functions and duties.

Section 5 makes provisions for the commission to hold meetings, conduct hearings, and establish committees. *Section 6* authorizes the employment of appropriate support staff; *Section 7* deals with finances; and *Section 8* requires that the commission issue reports on its findings, recommendations, and performance.

Sections 9 and 10, respectively, provide for separability and effective date clauses.

[AN ACT TO ESTABLISH A STATE ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS]¹

(Be it enacted, etc.)

SECTION 1. *Findings and Purpose.*

(a) The [legislature] finds and declares that there is a need for a permanent intergovernmental body to study and report on:

(1) the current pattern of local governmental structure and its viability;

(2) the powers and functions of local governments, including their fiscal powers;

(3) the existing, necessary, and desirable relationships between and among local governments and the state;

(4) the existing, necessary, and desirable allocation of state and local fiscal resources;

(5) the existing, necessary, and desirable roles of the state as the creator of the local governmental systems;

(6) the special problems in interstate areas facing their general local governments, intrastate regional units, and areawide bodies, such studies where possible to be conducted in conjunction with those of a pertinent sister state commission(s); and

(7) any constitutional amendments and statutory enactments required to implement appropriate commission recommendations.

SECTION 2. *Commission Created.* There is hereby created a [insert state] [Advisory Commission on Intergovernmental Relations].

SECTION 3. *Membership.*

(a) The commission shall be composed of 20 members, as follows:

(1) four elected county officials, four elected city officials, two state executive branch officials, and four private citizens, all of whom shall be appointed by the governor, except that the county and city members shall be appointed from lists of at least eight nominees submitted by their respective state associations;

[(2) three state senators appointed by the president pro tem of the senate;¹ and]

[(3) three state representatives appointed by the speaker of the house of representatives];²

(b) The chairman and vice chairman of the commission shall be designated by the governor from among the members and shall serve in these respective capacities at his pleasure. In the event of the

¹Suggested short title: *State Advisory Commission on Intergovernmental Relations*

²Individual states should insert the appropriate names of the upper and lower houses of the legislature and titles of their presiding officers.

(6) review the recommendations of national commissions studying Federal, state, and local government relationships and problems and assess their possible application to [insert state].

SECTION 5. *Meetings, Hearings, Committees.*

(a) The commission shall hold meetings quarterly and at such other times as it deems necessary. The commission may hold public hearings from time-to-time on matters within its purview. [By its subpoena the commission may compel the attendance of witnesses and the production of books, papers, and records of any agency of the state or any of its political subdivisions.]

(b) Each officer, board, commission, council, department, or agency of state government, and each political subdivision of the state, shall make available all facts, records, information, and data requested by the commission and in all ways cooperate with the commission in carrying out the functions and duties imposed by this act.

(c) The commission may establish committees as it deems advisable and feasible, whose membership shall include at least one member of the commission, but only the commission itself may set policy or take other official action.

(d) The commission shall promulgate rules of procedure governing its operations, provided they are in accordance with the provisions of [insert state administrative procedures act].

(e) All meetings of the commission, or any committee thereof, at which public business is discussed or formal action is taken shall conform to [insert state open meetings act].

SECTION 6. *Staff.*

(a) The commission shall employ and set the compensation of an [executive director], who shall serve at its pleasure. The [executive director] may employ professional, technical, legal, clerical or other staff, as necessary and authorized, and may remove such staff.

(b) The staff of the commission shall be within the unclassified service of the [insert state civil service act], and their compensation shall be determined by the commission within the limitations of appropriations for commission staff purposes.

SECTION 7. *Finances.*

(a) A member of the commission is not entitled to a salary for duties performed as a member of the commission. Members who are not full-time salaried government officers shall receive [\$50] *per diem*. Each member is entitled to reimbursement for travel and other necessary expenses incurred in the performance of official duties.

(b) The commission is authorized to apply for, contract for, receive, and expend for its purposes any appropriations or grants from the state, its political subdivisions, the Federal government, or any other source, public or private.

(c) Political subdivisions of the state are authorized to appropriate funds to the commission to share in the cost of its operations.

1 of the absence or disability of both the chairman and vice chairman, the members of the commission
2 shall elect a temporary chairman by a majority vote of those present and voting.

3 (c) Of the first members appointed by the governor after the effective date of this act, two of the
4 elected county officials, two of the elected city officials, one of the officials of other political sub-
5 divisions, one of the state executive branch officials, two of the private citizens, and three of the state
6 legislators, shall hold office for a term of two years. The remaining members, and members sub-
7 sequently appointed, shall be appointed for a period of four years; *provided that* a member appoin-
8 ted to succeed another member whose term has not expired shall be appointed for the period of the
9 unexpired term and may be subsequently appointed for a four year term.¹ Should any member cease
10 to be an officer or employee of the unit or agency he is appointed to represent, his membership on
11 the commission shall terminate immediately and a new member shall be appointed in the same manner
12 as his predecessor to fill the unexpired term.

13 [Alternative 1.]

14 [(d) The members appointed from private life under subsection (a) shall be appointed without re-
15 gard to political affiliation. Of each class of local government members appointed by the governor,
16 not more than half shall be from any one political party. Of each class of state members appointed
17 by the *[president pro tem of the senate and the speaker of the house of representatives]*, two shall be
18 from the majority party of their respective houses.]¹

19 [END]

20 [Alternative 2.]

21 [(d) Members of the commission shall be appointed without regard to political affiliation.]¹

22 (e) Twelve members of the commission shall constitute a quorum.

23 SECTION 4. *Functions and Duties.*

24 (a) The commission shall carry out the following functions and duties:

25 (1) serve as a forum for the discussion and resolution of intergovernmental problems;

26 (2) engage in such activities and make such studies and investigations as are necessary or
27 desirable in the accomplishment of the purposes set forth in Section 1 of this act;

28 (3) consider, on its own initiative ways and means of fostering better relations among local
29 governments and between local governments and the state government;

30 (4) draft and disseminate regional, tribal, and institutional amendments, and model local or-
31 dinances necessary to implement recommendations of the commission;

32 (5) encourage, and where appropriate, coordinate studies relating to intergovernmental re-
33 lations conducted by universities, state, local, and Federal agencies, and research and consulting or-
34 ganizations; and

¹States having two year terms for either house or senate members may wish to adjust the terms of members of the commission.



Information Bulletin

RECEIVED

Advisory Commission on Intergovernmental Relations

JUN 20 1976

Washington, D. C. 20575

COMMISSION ON LOCAL
GOVERNMENT

BULLETIN NO. 76-2

June 1976

STATE ACIRS

IN BRIEF

In 1974, the U.S. Advisory Commission on Intergovernmental Relations recommended that the states create their own ACIRs. The Commission said that such bodies could serve as much needed neutral forums for state, local, and areawide spokesmen, that they could help fill the communications gap between those levels. State ACIRs could produce authoritative studies on topics of intergovernmental concern and could help develop needed proposals that are politically viable.

Many states have set up or are seriously considering state ACIRs or similar intergovernmental bodies. This Bulletin describes the need for state intergovernmental forums and highlights the structure and activities of such groups in six states.

The states have a major role in helping to meet the problems created by urbanization, technological change, and economic uncertainty. Too many of those problems exceed the geographic base, administrative structure, and fiscal capacity of individual local governments. Pollution, crime, congestion, unemployment, inferior education, substandard housing, and inadequate health care, among others, are problems of national and statewide as well as local significance.

While many states have begun to provide local governments with the fiscal, functional, structural, and personnel authority they need to deal with modern problems, much more needs to be done to ensure that coordination rather than conflict will characterize state-local relationships. One way in which this objective can be achieved is through the creation of a state advisory commission on intergovernmental relations.

In 1974 when ACIR formally recommended the establishment of state advisory commissions on intergovernmental relations, there were four state ACIRs--California, Texas, Kansas, and Arizona. By early 1975, the Kansas body was out of business, and, with the exception of Texas, the others existed in name only. However, the last year has seen a reversal of that trend. State and local public officials are becoming more sensitive to the intergovernmental nature of the problems they are being called upon to solve and of the need to coordinate the activities of all levels of government to promote efficient and effective service delivery. The Arizona ACIR has now been revitalized, and nearly half the states have adopted or are considering full fledged or quasi-ACIRs.

While ACIR has recommended that state intergovernmental advisory bodies be created by statute, a range of options is open to states reluctant to establish a permanent, statutory commission. Further, some mechanism often exists at the state level which might be expanded to serve the same function as a state ACIR. More than 40 states have a federal-state coordinating unit. Forty-nine states have commissions or other units on interstate cooperation, and at least 42 have departments or offices of community affairs. Yet few of these bodies provide a formal mechanism for local representation, and most have a relatively narrow focus that obstructs the broad-gauge research and recommending role which is necessary.

A description of the various mechanisms, both formal and informal, which six states have employed to create such intergovernmental advisory bodies, and a sampling of the subjects which have been and are being studied by those organizations follow.

ARIZONA

The Arizona Advisory Commission on Intergovernmental Relations was created by executive order of the governor in 1971. It is staffed through the state agencies which lend staff for specific projects and studies. In addition, the Arizona Association of Counties and the League of Arizona Cities and Towns provide

temporary staff to the commission. On some specific projects, other organizations may also lend staff support to the Arizona ACIR (e.g. a current Indian Policy Development Subcommittee has a staff member assigned from the Inter-Tribal Council).

Among the studies currently under way are an evaluation of the integrated grant administration program in Arizona, alternatives to the present method of contracting for liability insurance by the state and its political subdivisions, and alternatives to the 19 percent budget limitation which is currently imposed on counties, cities, and towns.

The Arizona ACIR meets quarterly, but the task forces conducting studies meet as often as is necessary for them to complete their work.

FLORIDA

Established by executive order in 1974, the Florida Forum consists of the governor, the two U.S. Senators, two members of the U.S. House of Representatives selected by the Florida House delegation, the president of the Florida Senate, the speaker of the Florida House of Representatives, two elected county officials selected by the Florida Association of County Commissioners, and two elected city officials selected by the Florida League of Cities.

The main purpose of the Florida Forum is to encourage discussion and communications among levels of government. According to Ms. Joan Haggren, Deputy Secretary of the Florida Department of Community Affairs, the Florida Forum's objective is "to explore ways to improve the responsibility of the state and local governments." Some of the topics which have been discussed by the Forum include general economic conditions, federal and state revenue sharing, and preemptive state and federal legislation. On the agenda for future meetings will be discussions of bonded indebtedness; the role of the state in overseeing local government financial practices and preventing local financial emergencies; the 7.5 percent interest cap which is imposed by the state on local governments; and the implementation of the new state land use planning law; HUD 701, and other intergovernmental planning procedures.

GEORGIA

The Georgia Intergovernmental Relations Council meets the most frequently of the various state intergovernmental bodies--once or twice a month. The membership of the Council consists of the governor (who serves as the chairman), the lieutenant governor or his designee, the speaker of the house, the president of the Georgia Municipal Association, and the president of the Association of County Commissioners of Georgia. Governor George Busbee created the Council by executive order in February 1975.

The body serves as a forum for the governor to clear his policies affecting local governments with representatives of the local governments. Recent activities have included discussing a new mental health code that the counties approved of. The Intergovernmental Relations Council has also undertaken the task of preparing the regional problem analysis for the federal regional council which was previously done by the state Office of Planning and Budget. The Council will be meeting with Georgia's Congressional delegation in Washington this summer to discuss matters of importance to that state and its local governments.

Tom Perdue, Administrative Assistant to the Governor, said that thanks to this opportunity for local governments to confront the governor once a month, "for the first time in Georgia, local governments have had the ear of the state government."

MICHIGAN

In January 1975, the governing boards of the Michigan Municipal League, Association of Counties, Townships Association, Association of Regions, and State Office of Intergovernmental Relations organized the Michigan Council on Intergovernmental Relations. The council is composed of two official members from each body. No actions can be taken by the council unless the decision is unanimous.

The body, which meets quarterly, has worked recently for the re-enactment of federal revenue sharing. A press conference was held with Governor Milliken to stress the importance of renewal, and meetings were held with all Michigan Congressmen in their home districts to discuss the renewal of the program.

Other topics considered recently by the Council are water pollution control funding, a local government investment pool, and municipal bond application approval procedures. The

Council created a technical committee to review proposed federal regulations which affect the members of the Council and an advisory committee to advise the state on the allocation of HUD 701 planning assistance. Through the Council, state agencies reported to local governments on state land use policies and other matters. The Michigan Council on Intergovernmental Relations has also held joint meetings with the federal regional council to discuss federal-state-local relations.

A spokesman for the Michigan Municipal League called the Council a "useful communications device for the state to apprise local units of government where all local units are affected on certain matters."

The expenses of the council are shared by the member groups, and the chairmanship rotates annually among the organizations.

PENNSYLVANIA

In April of 1975, the First Annual Intergovernmental Conference was held. At that meeting the Pennsylvania Intergovernmental Council (PIC) was formed when a local-state-federal agreement was signed by the presidents of the five statewide associations of municipal government, the governor, and the chairman of the federal regional council, with the participation and concurrence of the majority and minority leadership of the state legislature.

The purpose of the PIC is to "serve as a forum for discussion and an instrumentality for communication, consultation, and coordination among the chief executives and principal policy-makers of the local, state, and federal units of general-purpose government on problems and issues which are resolved more readily among them by cooperative rather than unilateral actions."

In its year of existence, the PIC has created seven task forces comprised of high-level officials from the local, state, and federal levels of government and the private sector.

The Pennsylvania Intergovernmental Council has:

- Completed a comprehensive analysis of the implementation of revenue sharing in Pennsylvania, including recommendations for improvement;
- Created an intergovernmental management assistance program to maximize the effectiveness of federal agencies, state departments, and the public interest groups in assisting local governments with general management and community development planning;

- Drafted legislation for substate planning districts;
- Helped establish a gubernatorial policy for integrated delivery of human service programs;
- Analyzed the powers and responsibilities of the local, state, and federal governments in land use planning and administration; and
- Studied the impacts of each level of government on the others through their legislative and administrative actions.

TEXAS

In 1971, the Texas Legislature created the Texas Advisory Commission on Intergovernmental Relations. The Commission was established to improve coordination and cooperation between the state and its local governments and the state and the federal government by providing research, information, and advisory services to public officials and citizens of the state.

The 26-member commission includes the lieutenant governor, the speaker of the house, three state senators, three state representatives, and 18 appointees of the governor representing four city officials, four county officials, two public school officials, two representatives of other political subdivisions, two federal officials responsible for federal programs operating in the state, and four private citizens.

Research is initiated upon request from public officials or by the Commission and is organized according to the following major policy objectives:

- Strengthened local governance,
- Improved state-local fiscal systems,
- Effective state participation in the federal system,
- Improved governmental response to environmental issues,
- Rational governmental participation in human resource service delivery, and
- Better informational support to public officials.

Among the topics which have been considered by the ACIR are general revenue sharing, public school finance, local option land use standards, housing code administration, and public housing authorities.

The following projects are under way at the present time:

- Administrative reorganization of state government,
- Personal privacy and the Texas Open Records Act,
- County government improvement,
- State-local participation in regional decisions and services,
- School finance and the property tax,
- Impact of governmental decisions on land resources, and
- Governmental health care services.

The Texas Advisory Commission on Intergovernmental Relations also publishes and frequently updates the Handbook of Governments in Texas, a basic reference book of historical and descriptive information about all levels of government in Texas.

ACIR ROLE

At least 12 states are considering establishing a state advisory commission on intergovernmental relations. The U.S. ACIR has been actively assisting the proponents of legislation to establish state ACIRs in ways which include preparing a model bill, testifying before state legislative committees, writing supportive articles, providing assistance upon request to legislative intent offices, and promoting the concept of state ACIRs to various national and state organizations.

Though the Advisory Commission on Intergovernmental Relations has recommended that the states create state-level ACIRs by statute, it is obvious that other methods are available. A statutory body would give the permanence and independence that the Commission feels such a body needs to effectively work for improvements in intergovernmental relationships. However, the recent experience of the states has revealed other, more informal approaches which may be used in two types of instances--where a legislature cannot be persuaded to create an ACIR or where some experience with such a body is seen as desirable before creating a permanent intergovernmental advisory body.

Experience in the states has also shown that massive commitments of state funds are not necessarily required. The experiments with staff sharing in Arizona and Pennsylvania are examples where alternative approaches can work.

Most importantly, such a body--no matter how created, structured, funded, or staffed--should be established to study governmental structure, finances, and functional performance relationships at the local, regional, state, and interstate levels and to establish a framework for the formulation of recommended solutions to interlevel problems. Without such discussion and working together, the interlocal and intergovernmental conflicts which have impeded coordinated government management, and thus government efficiency, will persist.

For further information on state ACIRs, or assistance in establishing one, contact Lawrence D. Gilson, Director of Policy Implementation, ACIR, 726 Jackson Place, N. W., Washington, D. C. 20575, Phone (202) 382-2114.

APPENDIX

LEGISLATION INTRODUCED IN THE MONTANA LEGISLATURE

As a result of the financial recommendations, several bills were introduced in the 45th Montana Legislative Assembly. The legislature met for ninety days commencing on January 3, 1977, and adjourning on April 12, 1977.

House Bill 122 (Exhibit 1), introduced by Representative Harold Gerke, Billings, chairman of the Commission on Local Government, embodies several financial proposals as well as the bulk of the recommendations for local government reform. The bill included the local option income tax, the motor fuels tax, the hotel/motel tax, and the motor vehicle license plate fee. The recommendation for the increased state financing of the county attorney's office was also introduced in House Bill 122.

House Bill 122 was approved by the House of Representatives, but because the date of transmittal had passed the Senate did not act on the bill. The bill was left in the Senate Rules Committee on the adjournment of the legislature.

House Bill 233 (Exhibit 2), introduced by Representative Carroll South, Miles City, and a member of the Commission on Local Government, appropriated \$479,699 for the biennium to the Department of Community Affairs for the contracting of technical assistance for Montana's local governments. The bill was amended by the House Appropriations Committee by cutting the amount in half. House Bill 233 was killed by the Senate Finance and Claims Committee.

House Bill 287 (Exhibit 3), introduced by Representative Gerke and others, established the State Advisory Council on Intergovernmental Relations. The bill was killed by the House of Representatives.

House Bill 521 (Exhibit 4), introduced by Representative Dorothy Bradley, Bozeman, and others, established the Montana State-Local Revenue Sharing program. The bill had no money attached to it. The House of Representatives approved the bill as introduced. The Senate amended it drastically and the House refused to accept the changes so the measure died.

Money for the funding of the revenue sharing program was included in a bill introduced on behalf of the Department of Revenue. The bill, Senate Bill 422, was essentially a tax reform bill with a provision that a portion of the state income tax surcharge would go to the revenue sharing program. The bill did not advance any further than the Senate Taxation Committee.

House Bill 676 (Exhibit 5), introduced by Representative Bob Palmer, Missoula, and others, implemented the Commission's

recommendation for the assumption of welfare costs by the state. The bill was killed by the House of Representatives. (Note: for further information, see "State Assumption of Welfare: Why is it Needed?", Volume 4, Number 3, Local Government Review Bulletin, by Opal Winebrenner.)

House Bill 532 (Exhibit 6), introduced by Representative Ann-Mary Dussault, Missoula, and others, established the mechanism for the state funding of the district court system. The bill was heavily amended and passed the House but was killed in the Senate. The bill as amended would have had the state Supreme Court study the administration of state assumption of district court financing. The Chief Justice recommended the study because he felt that the time was not right for the Supreme Court to assume that administrative burden. The amended bill also would have had the supreme court study all aspects of district court reform for presentation to the 1979 Legislature. Despite the failure of the bill, the Supreme Court is expected to receive grants from the Law Enforcement Assistance Administration for courts study. (Note: for further information, see "State Assumption of the Cost of District Court Operations", Volume 4, Number 4, Local Government Review Bulletin, by Lee Heiman.)

House Bill 294 (Exhibit 7), introduced by Representative John Driscoll, Hamilton, and House Bills 503, 505, and 671 (Exhibits 8, 9, and 10), were designed to implement the recommendations reforming the delivery of public health services and funding the systems. The bills were killed in the legislature. (Note: for further information, see "Public Health", Volume 4, Number 2, Local Government Review Bulletin, by Elizabeth Richter.)

LC 0104/01

HOUSE BILL 122

FINANCIAL RECOMMENDATIONS

Page 4

Sources of Revenue for Local GovernmentsWith General Government Powers

47A-2-301. Purpose. It is the purpose of this chapter to grant local governments with general government powers authority to finance local government services and facilities.

47A-2-302. Funding of specified state services and facilities. Any law enacted by the legislature after January 1, 1974, which requires additional expenditures on local government to provide a service or facility must provide specific means to finance the service or facility greater than the existing all-purpose mill levy. Any law that fails to provide a specific means to finance any service or facility other than the existing all-purpose mill levy shall not become effective until specific means of financing are provided by the legislature.

-514-

(2) The legislature may provide for an increase in the all-purpose mill levy, special mill levies, or remission of monies by the state of Montana to local governments; however, an increase in the all-purpose mill levy or any special mill levy must provide an amount necessary to finance the additional costs, and if financing is provided by remission of monies by the state or monies, the remission shall bear a reasonable relationship to the cost of providing the service or facility.

(3) The local government may refuse to comply with or enforce any law which does not meet the requirements of this section by resolution.

(4) This section shall not apply to any law which which the required expenditure of additional local funds is incidental to the main purpose of the law.

(5) No subsequent legislation shall be enacted which supersedes or modifies any provision of this section, whether by legislative amendment, or by the action of the legislature.

Legislation shall do so expressly.

47A-2-401. Sources of revenue. Local governments and general government powers are authorized to finance and services and facilities from:

(1) taxes;

(2) (a) The governing body may impose only those taxes authorized by state law.

-514-

(b) The taxes shall be levied and collected as provided by state law.

(2) licenses and permits;

(c) The governing body may by ordinance provide for the licensing of any occupation, business, and industry that affects the general health, safety, well-being, or welfare of its inhabitants and may issue permits for activities subject to local government regulation.

(b) The governing body shall establish by ordinance the amount for each kind or class of license or permit, the manner in which licenses and permits are issued and revoked, and the penalties for failure to comply with license and permit requirements.

(c) The fee for licenses or permits shall be reasonably related to the costs of regulating the activity license.

(3) Intergovernmental revenues:

(a) The governing body may receive, budget, and appropriate grants, shared revenues, and payments-in-lieu of taxes.

(b) Intergovernmental revenues may be expended only for specified purposes.

(4) fees and charges for services;

(a) The governing body may impose a charge by ordinance for any service which it provides and provide a

(b) method of collection. Charges for services may be entered on tax notices to be collected with other taxes. If a property owner fails to pay the charge for service, it shall become a lien on the property.

(b) The charges may be used to recover all or any part of the cost of providing the services. The governing body may establish differing charges for various classes of users.

(c) Service charges shall be established at a rate or rates which are reasonably calculated to recover no more than the cost of providing the service and are not discriminatory. Schedules of charges shall be submitted to the public service commission when required by law. In determining the cost of providing a service, the governing body may include such items as actual operating expenses, debt retirement, replacement of equipment or physical plants, reserves, and general administrative costs.

(d) The governing body may impose and establish charges for the provision of specific services delivered to public and private tax-exempt entities.

(e) The governing body shall by ordinance provide for the procedure for the administration of fees and charges for services delivered to public and private tax-exempt entities. The ordinance shall be adopted prior to the beginning of the fiscal year.

- (f) It is the duty of each officer, employee, or department entitled to collect fees or service charges to keep posted and have available a plain and legible statement of fees and service charges allowed by law or ordinance.
- (5) fines and forfeitures:
- (a) The governing body may by ordinance establish fines for the violation of ordinances.
- (b) The governing body may receive, budget, and appropriate fines and forfeitures authorized by ordinance or state law.
- (c) The governing body may provide for the forfeiture of performance bonds and other deposits by ordinance.
- (6) interest earning:
- (a) The governing body may budget and appropriate interest earnings on public moneys.
- (b) Interest earnings shall be credited to the account from which the interest was accrued, unless otherwise provided by ordinance.
- (7) rents, leases, and royalties:
- (a) The governing body may by ordinance establish a policy for the renting or leasing and receipt of royalties for local government equipment, facilities, and property.
- (b) The governing body may by resolution establish rents and lease and rent schedules for local government equipment, facilities, and property.
- (c) The governing body may budget and appropriate the proceeds from rents, leases, and royalties due the local government.
- (8) special assessments:
- (a) The governing body may levy a special assessment against the property within a local improvement district.
- (b) The special assessment within a local improvement district shall not exceed the amount established in the payment plan adopted under 47A-3-427.
- (c) Special assessments shall be a lien against the property.
- (9) sales of and compensation for loss of fixed assets:
- (a) The governing body may receive, budget, and appropriate from the sale of fixed assets and proceeds from compensation for loss of fixed assets.
- (b) Compensation for loss of fixed assets shall be deposited to the fund from which the lost asset was purchased.
- (10) public enterprise charges:
- (a) The governing body may receive, budget, and appropriate proceeds of public enterprises only for enterprise purposes, except as provided herein.
- (b) The governing body may provide for the reimbursement of public enterprise costs subsidized by

- 1 general government revenue by ordinance.
- 2 (c) Any moneys not necessary for the operation,
- 3 maintenance, or service of debt may be transferred to the
- 4 general fund by ordinance.
- 5 (11) contributions and donations from private sources;
- 6 (a) The governing body may receive, budget, and
- 7 appropriate contributions and donations from private
- 8 sources.
- 9 (b) The governing body may comply with any condition
- 10 of the contribution or donation that is not contrary to the
- 11 public interest.
- 12 (12) premiums on bonds sold and proceeds from sale of
- 13 bonds:
- 14 (a) The governing body may receive, budget, and
- 15 appropriate premiums on bonds sold, proceeds from the sale
- 16 of bonds, and accrued interest, if any.
- 17 (b) Proceeds from bond premiums, the sale of bonds,
- 18 and accrued interest, if any, shall be expended only for the
- 19 purposes for which the bonds were authorized or for the
- 20 retirement of the debt.
- 21 §7A-9A-04. Property taxes. (1) A local government is
- 22 granted the authority to impose ad valorem taxes on real and
- 23 personal property within the boundary or municipal limits of
- 24 the local government.
- 25 (2) Property taxes shall be levied against the taxable
- 1 value of the property as established and equalized by the
- 2 state.
- 3 (3) The governing body of a local government with
- 4 general government powers is authorized to levy the
- 5 following property taxes each fiscal year:
- 6 (a) (i) for counties, an all purpose tax not exceeding
- 7 55 mills;
- 8 (ii) for municipalities, an all-purpose tax not
- 9 exceeding 65 mills (75 mills);
- 10 (b) for counties, a tax for constructing, maintaining,
- 11 and improving trafficways except bridges not exceeding 18
- 12 mills. This tax shall not be levied in municipalities unless
- 13 the governing body of the municipality has authorized the
- 14 county to levy the tax in lieu of a municipal appropriation
- 15 from the all-purpose tax levy for trafficways.
- 16 (c) for counties and municipalities, a tax for paying
- 17 the interest and principal due during the fiscal year and
- 18 reserves as necessary on each series or issue of outstanding
- 19 general obligation bonds. The levy must be high enough to
- 20 raise an amount sufficient to pay all interest and principal
- 21 of the bonds as will become due and payable during the
- 22 ensuing fiscal year and to establish reserves as necessary.
- 23 (d) for counties and municipalities, a tax for paying
- 24 any judgment against the local government if there are
- 25 insufficient moneys available from the all-purpose tax to

1 pay the judgment. Payments for judgment may be prorated for
2 a period of 3 years from its presentation.

3 (e) for counties and municipalities, a tax to maintain
4 a local improvement district revolving fund at an amount not
5 exceeding the maximum amount of the principal and interest
6 on outstanding local improvement bonds in any fiscal year;

7 (f) for counties and municipalities, a tax to pay
8 premiums for comprehensive insurance as authorized in
9 92-4309;

10 (g) for counties and municipalities, a tax not
11 exceeding 4 mills for the fire department relief association
12 fund when the cash balance of the fund is less than 2% of
13 the taxable value of the property within the local
14 government;

15 (h) for municipalities, a tax not exceeding 3 mills
16 for the police reserve fund if the obligations against the
17 fund cannot be met by the all-purpose mill levy;

18 (i) for counties and municipalities, a tax to finance
19 services provided in subordinate service districts levied
20 only on property within the district not to exceed the
21 maximum mill levy established by the ordinance creating the
22 district;

23 (j) for counties and municipalities, a tax not
24 exceeding the amount of the mill levy limit established by
25 vote of the electors on a word mill levy approved by the

-521-

1 electors in a special or general election. The voted levy
2 may exceed the statutory mill levy limits for either the
3 county or municipality. The voted property tax mill levy
4 shall be in effect for the period of time approved by the
5 electors.

6 (k) for counties and municipalities, a tax not
7 exceeding 2 mills for emergency purposes as authorized in
8 47A-9-215.

9 47A-9-405. Local income tax. (l) (a) Any county with
10 general or self-government powers is authorized to impose a
11 local income tax on its residents and on all other persons
12 earning or receiving income from activities carried out in
13 the county not exceeding 20% of an individual's state income
14 tax liability.

15 (b) The income tax may be imposed or repealed only
16 after an affirmative vote of the electors of the county.

17 (c) The question may be presented to the electors of
18 the county by:

19 (i) a petition of the electors of the county;
20 (ii) a resolution of a governing body of a municipality
21 of the county; or

22 (iii) a resolution of the governing body of the county.
23 (d) Upon the receipt of a petition or a resolution
24 requesting the local income tax, the question of the local
25 income tax shall be placed on the ballot of the next

-522-

1 regularly scheduled countyside election by the county
2 governing body.

3 (e) The question shall be presented in substantially
4 the following form:

5 FOR the local government income tax.

6 AGAINST the local government income tax.

7 (f) The question of the imposition of the income tax
8 may not be placed before the electors more than one time in
9 any one fiscal year.

10 (2) (a) The rate of the income tax shall be determined
11 by ordinance, or the rate may be determined by the electors
12 when voting on the question. The governing body of the
13 county shall certify the rate of the tax to the department
14 of revenue on or before October 1.

15 (b) The governing body of a county imposing an income
16 tax, with the consent of the governing bodies of the
17 municipalities of the county, may suspend for any fiscal
18 year the collection of the county income tax only after
19 first giving at least 120 days notice of the suspension to
20 the department of revenue. The suspension shall be
21 effective the first day of the next calendar year. The
22 suspension shall not impair the authority of the county to
23 impose the tax in subsequent years.

24 (c) Any portion or all of the proceeds of the income
25 tax may be utilized for the reduction of property taxes in

1 the local government.

2 (3) (a) The local income tax shall be administered by
3 the department of revenue under rules adopted by the
4 department. The rules for the administration of the state
5 income tax shall apply to the local income tax except when,
6 in the judgment of the department of revenue, the rules
7 would be inconsistent or not feasible for proper
8 administration.

9 (b) The department of revenue is authorized to make
10 refunds to taxpayers pursuant to this title.

11 (c) Moneys collected pursuant to this title shall be
12 accounted for separately and shall be credited to a separate
13 local income tax account which is hereby established in the
14 state treasury.

15 (d) The department of revenue may deduct from the
16 moneys collected an amount not exceeding 1% to cover
17 necessary costs incurred by the department in administering
18 the local income tax.

19 (a) (i) In the case of a nonresident, the local income
20 tax liability shall be limited solely to his place of
21 employment or business, provided such jurisdiction imposes a
22 local income tax. One-half of the tax imposed by the
23 jurisdiction of employment or business shall be credited by
24 the department of revenue to the nonresident's place of
25 residence provided the jurisdiction also imposes the local

- 1 income tax.
- 2 (b) In the event the nonresident lives in a county
- 3 that does not impose a tax but owes income in a county that
- 4 does impose a tax, the department of revenue shall credit
- 5 the total net proceeds of the nonresident's tax liability
- 6 exclusively to the jurisdiction of employment or business.
- 7 (c) In the event the nonresident derives income in a
- 8 county that does not impose a local income tax but resides
- 9 in a jurisdiction which does impose such a tax, the
- 10 department of revenue shall credit the proceeds of the local
- 11 income tax exclusively to the jurisdiction of residence.
- 12 (5) All moneys collected pursuant to this section
- 13 shall be distributed by the department of community affairs
- 14 to the county of origin on a monthly basis after the
- 15 following deductions are made:
- 16 (a) The county's ordinary
- 17 (b) The amount of anticipated debt service and
- 18 (c) The amount of administrative expenses.
- 19 All revenues collected pursuant to this section
- 20 shall be credited to a special local income tax fund which
- 21 may have no obligation in the state treasury, after deducting
- 22 the amount of refunds made, a reserve for uncollected or
- 23 overdue payments, and the costs of administering the tax.
- 24 The remaining sum shall be distributed to the extent of
- 25 the county's needs to the county of origin on a quarterly
- 26 basis.
- (7) The county finance administrator shall distribute
- the revenues according to the terms and conditions of an
- interlocal agreement between the county and all
- municipalities within the county. The interlocal agreement
- shall be adopted by all the municipalities and the county
- prior to the calling of the election.
- (8) In the absence of an interlocal agreement, the
- proceeds of the income tax shall be distributed in the
- following manner:
- (a) One-half of the proceeds shall be distributed
- between the municipalities and county in a ratio based on
- the total income tax collections in each jurisdiction. For
- this purpose the municipality jurisdiction shall include all
- taxpayers residing in the municipality. The county
- jurisdiction shall include only taxpayers residing in the
- county outside of municipalities.
- (b) The remainder of the proceeds shall be distributed
- to local governments in the county in the same proportion
- that their populations bear to the county total. For this
- purpose the population of the county shall include all
- county residents including municipal residents and shall be
- added to the population of the municipalities to calculate
- the proportions.
- (9) The department of community affairs shall provide

1 the necessary information for the proper distribution of the
2 revenues to the county finance administrator.

3 §7A-3-301. Motor vehicle license fees. (1) A governing
4 body of a local government may by ordinance impose a license
5 fee up to one of the motor vehicle license fees established
6 in 3-1-122.

7 (2) The registrar of motor vehicles shall by rule
8 provide for the collection by counties of the license fee
9 and the distribution of proceeds to counties and
10 municipalities imposing the license fee.

11 (3) A county may impose the fee only in that portion
12 of the county that is not within a municipality, and a
13 municipality may impose the fee only within the
14 municipality.

15 (4) The revenue shall be used by the county and the
16 municipality for the construction and repair of trafficways
17 within their respective jurisdictions, maintenance within
18 their respective jurisdictions unless interlocal agreements
19 provide otherwise, enforcement of trafficway safety, driver
20 education, tourist promotion, and administrative collection
21 costs.

22 §7A-3-307. Selective excise taxes. A governing body of
23 a local government with general or self-government powers
24 may impose the following selective excise taxes by
25 ordinance:

(1) (a) A tax on the use of hotel or motel facilities,
as defined in 3A-302(d) and (e), shall not exceed 10% of the
room rental.

(b) The imposing local government shall provide for
the administration and the collection of this tax.

(2) (a) A tax on the purchase of fuels taxable under
Title 84, Chapter 18, shall not exceed an amount equal to 2
cents for each gallon of fuel.

(b) The fuels tax shall be imposed countywide. The
distribution of the proceeds from the fuels tax shall be
according to the terms and conditions of an interlocal
agreement between the county and all the municipalities
within the county. The interlocal agreement shall be adopted
by the county and all municipalities prior to the imposition
of this tax.

(c) The proceeds of the tax shall be used in a manner
that is consistent with the provisions of Article VIII,
section 6, of The Constitution of the State of Montana.

20 471-6-403. Prosecuting attorney. (1) It shall be the
21 duty of each county to provide for a prosecuting attorney
22 who may be the county civil attorney. If the plan of
23 government provides for an elected legal officer,
24 prosecutor, or county attorney, the duties of the
25 prosecuting attorney as provided in this section shall be

- 1 performed by that person. The public prosecutor must:
- 2 (a) attend the district court and conduct, on behalf
3 of the state, all prosecutions for public offenses and
4 represent the state in all matters and proceedings to which
5 it is a party, or in which it may be beneficially
6 interested, at all times and in all places within the limits
7 of his county;
- 8 (b) institute proceedings before magistrates for the
9 arrest of persons charged with or reasonably suspected of
10 public offenses, when he has information that the offenses
11 have been committed, and for that purpose, whenever not
12 otherwise officially engaged, must attend upon the
13 magistrate in cases of arrest, and attend before and give
14 advice to the grand jury, whenever cases are presented to it
15 for their consideration;
- 16 (c) draw all indictments and informations, defend all
17 suits brought against the state in the county, prosecute all
18 recognizances forfeited in the courts of record and all
19 actions for the recovery of debts, fines, penalties, and
20 forfeitures accruing to the state;
- 21 (d) deliver receipts for money or property received in
22 his official capacity, and file duplicates thereof with the
23 county finance administrator;
- 24 (e) on the first Monday of January, April, July, and
25 October, in each year, file with the finance administrator

- 1 an account of all moneys received by him in his official
2 capacity during the preceding 3 months;
- 3 (f) keep a register of all official businesses, in which
4 must be entered a note of every action, whether criminal or
5 civil, prosecuted officially, and of the proceedings
6 therein;
- 7 (g) when ordered or directed by the attorney general
8 to do so, promptly institute and diligently prosecute in the
9 proper court and in the case of the state of Montana any
10 criminal or civil action or special proceeding, it being
11 hereby declared that the supervisory powers granted to the
12 attorney general by 82-401(5) include the power to order and
13 direct prosecuting attorneys and county civil attorneys in
14 all matters pertaining to the duties of their offices;
- 15 (h) institute an action if the governing body of the
16 county, without authority of law, orders any money paid as a
17 salary, fees, or for any other purpose and the money has
18 been actually paid; or if any other county officer has drawn
19 any warrant or warrants in his own favor or in favor of any
20 other person without authorization by the governing body of
21 the county or by law and the same has been paid. The action
22 shall be in the name of the county against the person or
23 persons to recover the money so paid and for 25% damages for
24 the use of the moneys. No order of the governing body of the
25 county is necessary to maintain the suit, but when the money

1 has not been paid on the order or warrants, it is the duty
 2 of the public prosecutor, upon receiving notice thereof, to
 3 commence an action in the name of the county for restraining
 4 its payment, and no order of the governing body of the
 5 county is necessary to maintain the action: "and
 6 (4) perform any other duty required by law or
 7 ordinance.

8 (2) For counties where the prosecuting attorney is
 9 also the county civil attorney, the legislature shall
 10 appropriate and the department of community affairs shall
 11 annually distribute \$10,000 to each county, plus \$1 per
 12 person within the county based on the most recent federal
 13 census or population estimate, to be applied against the
 14 expenses budgeted by a county for that office.

15 (3) Except in counties where a separate office of
 16 prosecuting attorney is established by ordinance:

17 (a) the annual state share of the expenses budgeted by
 18 a county for the office performing both civil and
 19 prosecuting duties may not exceed one-half; and

20 (b) the annual state contribution to a county may not
 21 exceed \$50,000.

22 (4) For counties where a separate office of
 23 prosecuting attorney is established by ordinance, the
 24 legislature shall appropriate and the department of
 25 community affairs shall distribute sufficient moneys to

-455-

1 defray the expenses budgeted by a county for the office of
 2 prosecuting attorney.

3 (5) In each county with a population in excess of
 4 30,000 where the prosecuting attorney is also the civil
 5 attorney or where a separate office of prosecuting attorney
 6 is established by ordinance, that person is prohibited from
 7 engaging in the private practice of law or sharing directly
 8 or indirectly in the profits of any private practice of law,
 9 except that he may represent himself and his immediate
 10 family. He may prohibit deputies from engaging in the
 11 private practice of law or sharing directly or indirectly in
 12 the profits of any private practice of law, except that a
 13 deputy may represent himself and his immediate family.

14 47A-8-404. Claims against prosecuting attorney's or
 15 civil attorney's own county. The prosecuting attorney or
 16 civil attorney, except for his own services, must not
 17 present any claim, account, or other demand for allowance
 18 against the county, or in any way advocate the relief asked
 19 on the claim or demand made by another.

42th Legislature

LC 0728/01

H BILL NO. 233

1 INTRODUCED BY Sen. H

2

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO

5 THE DEPARTMENT OF COMMUNITY AFFAIRS FOR THE PROVISION OF

6 TECHNICAL ASSISTANCE SERVICES TO LOCAL GOVERNMENTS."

7

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Appropriations. The following moneys are

10 appropriated to the department of community affairs to

11 contract for the provisions of technical assistance services

12 to local governments in Montana:

13	For Fiscal	For Fiscal
14	Year Ending	Year Ending
15	6/30/78	6/30/79
16	Technical assistance program	
17	From the General Fund	4228+330
18	Section 2. Contracts. The department of community	4251+369
19	affairs shall contract with the appropriate public or	
20	private agencies to provide technical assistance to local	
21	governments.	

-End-

INTRODUCED BILL

45th Legislature

LC 0739/01

LC 0735/01

INTRODUCED BY

H. BILL NO. 287

Sponsored by
SENATOR

SENATOR

A BILL FOR AN ACT ENTITLED "A BILL TO ESTABLISH A STATE
ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS."

AS IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Policy and purpose. The legislature finds
and declares there is a need for an intergovernmental body
to:

- (1) identify, study, discuss, and recommend solutions
to intergovernmental problems; and
- (2) facilitate cooperation, coordination, and
communication among municipal, county, and school district
governments, state and federal agencies, and the state
legislative, executive, and judicial branches of government.

Section 2. Establishment of council. There is hereby
established a Montana advisory council on intergovernmental
relations.

Section 3. Members of council. (1) The council shall
consist of 15 members appointed as follows:

- (a) two county officials, two municipal officials, and
two school district officials who shall be appointed by the
governor from lists submitted by their respective state
associations;

- (b) one state senator appointed by the president of
the senate and one member of the house of representatives
appointed by the speaker of the house;
- (c) the director of the department of community
affairs;
- (d) one representative of the state court system
appointed by the chief justice of the Montana supreme court;
- (e) one representative of federal agencies affiliated
by the governor; and
- (f) four representatives of the people of Montana who
shall be appointed by the governor.

(2) Members of the council shall be appointed without
regard to political affiliation.

- (3) Half of the members initially appointed to the
council shall be appointed for a year term. All of the
remaining initial members and a later subsequently appointed
shall be appointed for 4-year terms.

- (4) A member appointed to succeed another member whose
term has expired shall be appointed at the expiration of
the unexpired term and may be subsequently appointed for
a year term. Should any member cease to be in office, if
employed by the unit of agency he is appointed to represent,
his membership on the council shall terminate immediately
and a new member shall be appointed in the same manner as
his predecessor to fill the unexpired term.

H287

(5) The chairman and vice-chairman of the council shall be designated by the governor from among the members and shall serve in these respective capacities at his pleasure. In the event of the absence or disability of either the chairman and vice-chairman, the members of the council shall elect a temporary chairman by a majority vote of those present and voting.

Section 4. Purpose and responsibility of the council.
(1) The council shall address itself to specific issues, problems, and opportunities, the resolution of which would promote improved cooperation, coordination, and communication among levels of government and more effectively functioned of all levels of government.

(2) The council shall develop practical recommendations that can be implemented by agencies represented on the council.

(3) The council shall:

(a) serve as a forum for the identification, discussion, and resolution of intergovernmental problems and opportunities;

(b) engage in such activities and make such studies and investigations as are necessary or desirable in the accomplishment of the purposes set forth in [Section 1 of this act];

(c) consider, on its own initiative, ways and means of

1 fostering better relations among municipal, county, district, 2
3 districts, state and federal law enforcement agencies; 4
5 (4) draft and disseminate reports and studies; 6
7 investigate public and constitutional problems; 8
9 to implement recommendations of the council; 10
11 (5) encourage public and private organizations and 12
13 studies relating to intergovernmental relations; 14
15 universities, state, local, and federal agencies; and 16
17 research and consulting organizations; and 18
19 (6) review the recommendations of national councils, 20
21 studying federal, state, and local government relationships 22
23 and problems and assess their possible application to 24
25 Montana.

Section 5. Council organization and procedures. (1) The 2
3 advisory council shall be attached to the department of 4
5 community affairs for administrative purposes and 6
7 Section 10-24-103. 8
9 (2) The council may adopt rules of procedure for its 10
11 organization and operation. 12

(3) The council shall select from its members 13
14 advisory officers to conduct necessary 15
16 (4) Council members shall be compensated for their 17
18 necessary expenses incurred as council members and shall 19
20 their compensation is provided by the governor's 21
22 (5) The council shall select from its members 23
24 advisory officers to conduct necessary 25

1 full-time paid public officer or employee may be paid
2 compensation.

3 (5) A majority of the members of the council
4 constitutes a quorum for the transaction of business, and no
5 action of the council has any effect unless adopted
6 by a majority of the whole number of the members of the
7 council.

8 (6) All meetings of the council shall be open to the
9 public. The council shall hold public hearings and may use
10 other suitable means to disseminate information and
11 stimulate public discussion of its purposes, progress,
12 conclusions, and recommendations.

13 (7) The chairman shall schedule meetings of the
14 council as considered necessary. The chairman shall give due
15 notice of the time and place of the meetings to members of
16 the council.

17 (8) The council shall maintain a written record of its
18 proceedings and its finances which shall be open to
19 inspection by any person at the office of the council during
20 regular office hours.

21 (9) Upon request, state agencies and units of local
22 government and school districts shall cooperate with the
23 council by furnishing assistance and data to the extent
24 possible.

25 (10) State, municipal, county, and school officers and

1 employer, at the request of the council and with the
2 consent of the employing agency, may be granted leave with
3 or without pay from their agency to serve as consultants to
4 the council. If leave with pay is granted, they shall
5 receive no other compensation, except mileage and per diem,
6 from the council.

7 (11) The council may establish advisory committees,
8 including on those persons who are members of the council.

9 (12) The council is encouraged to obtain necessary
10 information, research, or staff assistance from public
11 agencies represented on the council.

12 (13) The council may do any and all things as are
13 consistent with and reasonably required to perform its
14 function under this act.

15 Section 6. Reports. The council shall issue reports of
16 its findings and recommendations from time to time and shall
17 issue annually a public report on its work. Copies of the
18 annual report shall be submitted to the governor, presiding
19 officers of the legislature, each county, municipal, and
20 school district, and appropriate state departments and
21 agencies. Reports of the council shall be available to the
22 public.

23 Section 7. Council finances. (1) The council may
24 expend appropriated funds.

25 (2) Appropriated funds may be used to match any

1 federal or private funds available for conducting the study
2 and planning authorized by this act.

3 (3) On behalf of and for the Council, the governor
4 shall make application for any federal funds available for
5 the study and planning authorized by this act, and he may
6 enter into any contracts required for receipt of federal
7 funds with the appropriate Federal agency.

8 Section 3. Severability. If a part of this act is
9 invalid, all valid parts that are severable from the invalid
10 part remain in effect. If a part of this act is invalid in
11 one or more of its applications, the part remains in effect
12 in all valid applications that are severable from the
13 invalid applications.

-2nd-

17
18
19
20
21
22
23
24
25

INTRODUCED BY Bradley Knight Lynch, N-55005
William G. Lynch
 BY REQUEST OF THE GOVERNOR

1 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH THE
 2 MONTANA STATE-LOCAL REVENUE SHARING PROGRAM; TO PROVIDE FOR
 3 THE ALLOCATION OF MONEYS TO MUNICIPALITIES AND COUNTIES; TO
 4 PROVIDE FOR THE DISTRIBUTION OF MONEYS APPROPRIATED FOR THE
 5 STATE-LOCAL REVENUE SHARING PROGRAM BY THE DEPARTMENT OF
 6 COMMUNITY AFFAIRS; AND TO PROVIDE FOR THE USE BY
 7 MUNICIPALITIES AND COUNTY GOVERNMENTS OF MONEYS RECEIVED
 8 FROM THE STATE-LOCAL REVENUE SHARING PROGRAM."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Short title. This act may be cited as "The
 11 Montana State-Local Revenue Sharing Act of 1977".

12 Section 2. Purpose. The purpose of this act is to
 13 share with municipalities and counties a portion of the
 14 moneys derived by the state government from broad-based
 15 state revenue sources other than property taxes, so that no
 16 particular group should bear a disproportionate share of the
 17 responsibility for municipal and county government finances;
 18 to lessen disparities between financial resources and
 19 service needs of neighboring municipalities and counties;
 20 and to stabilize the local property tax.

INTRODUCED BILL

1 Section 3. Definitions. As used in this act, the
 2 following definitions apply:

3 (1) "Municipality" means an entity that incorporates
 4 or was incorporated as a city or town in Montana under the
 5 provisions of any law.

6 (2) "County" means an entity recognized as such by
 7 Article XI, section 2, of the Montana Constitution.

8 (3) "Department" means the department of community
 9 affairs provided for in Title 82A, chapter 9.

10 (4) "Population" means the number of residents of a
 11 local government as determined by the latest federal census
 12 figures, including census bureau interim population
 13 estimates as of July 1 of each year, if the estimate is made
 14 for all counties and municipalities.

15 Section 4. Allocation. Moneys appropriated for the
 16 state-local revenue sharing program shall be allocated among
 17 all municipalities and counties on the following basis:

18 (1) 60% of the moneys shall be distributed among
 19 municipalities and counties on the basis of the following
 20 elements. The distribution shall be calculated using these
 21 elements in the same manner as in the federal revenue
 22 sharing program:

- 23 (a) population;
 24 (b) general tax effort; and
 25 (c) relative income.

1 (2) The remainder of the available moneys shall be
 2 distributed among municipalities and counties in the same
 3 proportion that their populations bear to the total state
 4 population. The population of the county shall include only
 5 those residents not residing in a municipality within the
 6 county boundaries.

7 (3) The minimum allocation to any local government
 8 shall be at least \$200 a year.

9 Section 5. Distribution. The department shall make the
 10 necessary calculations for the allocation of the moneys
 11 appropriated for the state-local revenue sharing program.
 12 Beginning October 31, 1977, the department shall distribute
 13 the moneys allocated on a quarterly basis.

14 Section 6. Uses. The municipalities and counties may
 15 use the moneys received from the state-local revenue sharing
 16 program in the best interests of the municipality or county
 17 as determined by the governing body of the municipality or
 18 county.

19 Section 7. Severability. If a part of this act is
 20 invalid, all valid parts that are severable from the invalid
 21 part remain in effect. If a part of this act is invalid in
 22 one or more of its applications, the part remains in effect
 23 in all valid applications that are severable from the
 24 invalid applications.

-End-

1 INTRODUCED BY *House, Bill No. 676*
 2 *James Bond Jensen, Chairman*
 3 *Wesley R. Ellis - amicus Walter Buxton*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO TRANSFER ALL
 5 ADMINISTRATIVE AND FINANCIAL RESPONSIBILITY FOR PUBLIC
 6 ASSISTANCE FROM COUNTIES TO THE DEPARTMENT OF SOCIAL AND
 7 REHABILITATION SERVICES; APPROPRIATING \$50,000 FOR EXPENSES
 8 RELATED TO THE IMPLEMENTATION OF THIS ACT; AMENDING SECTIONS
 9 16-104.3, 71-106, AND 84-8213, R.C.M. 1987; REPEALING
 10 SECTIONS 71-222 AND 71-311, R.C.M. 1987; AND PROVIDING FOR
 11 AN IMMEDIATE EFFECTIVE DATE."

12
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Definitions. In this [act], unless
 15 otherwise provided or the context requires a technical or
 16 other interpretation, the following definitions apply:

17 (1) "County" means the county governing body, county
 18 department of public welfare, or county board of public
 19 welfare of each county within the state.

20 (2) "Department" means the department of social and
 21 rehabilitation services provided for in Title 82A, chapter
 22 19.

23 (3) "Public assistance" means any type of monetary or
 24 other assistance furnished under Title 71, chapters 1, 2, 3,
 25 5, 7, and 15 but does not include the establishment or

1 maintenance of a nursing home, hospital, or poor farm by a
 2 county under 71-106 or 71-107.

3 Section 2. Transfer of administrative and financial
 4 responsibility. (1) Effective July 1, 1978, all
 5 administrative and financial responsibility for public
 6 assistance is transferred from each county to the
 7 department.

8 (2) The department shall provide for the smooth
 9 transition of administrative and financial responsibility
 10 through:

11 (a) the development of a transition plan providing for
 12 the transfer of administrative and financial responsibility
 13 for public assistance from each county to the department;

14 (b) the adoption of rules necessary for the transfer;

15 (c) in cooperation with the code commissioner, the
 16 review and revision of Title 71 in accordance with this
 17 [act] for consideration by the legislature at its next
 18 regular session; and

19 (d) the appointment of an advisory council as provided
 20 in 82A-110 to advise the department and its director on the
 21 implementation of this [act]. The advisory council shall be
 22 representatives of county governing body members, directors
 23 and employees of county public welfare departments, and
 24 consumers.

25 Section 3. Rights of personnel. (1) Each employee of a

1 county department of public welfare affected by the transfer
2 of administrative and financial responsibility of public
3 assistance under this [act] is entitled to all rights which
4 he possessed as an employee before the effective date of the
5 transfer.

6 (2) These rights include the right to tenure in office
7 and right of rank or grade, rights to vacation and sick pay
8 and leave, rights under any retirement or personnel plan or
9 labor union contract, rights to compensatory time earned,
10 and any other rights under any law or administrative policy.

11 (3) This section does not create any new employee
12 rights but continues only those rights in effect before the
13 effective date of the transfer.

14 Section 4. Rights to property. (1) Upon the effective
15 date of the transfer of administrative and financial
16 responsibility of public assistance from each county to the
17 department, the department succeeds to the rights to all
18 personal property of each county relating to the functions
19 or parts of functions transferred.

20 (2) The county may charge the state fair market value
21 for any personal property bought by the county with county
22 funds.

23 (3) The property includes records, office equipment,
24 supplies, contracts, books, papers, documents, maps,
25 appropriations, accounts within and without the state

1 treasury or the county treasury, funds, vehicles, and all
2 other similar property. However, the department may not use
3 or divert moneys in a fund or account for a purpose other
4 than provided by law.

5 Section 5. Rules, procedures, and orders. (1) Upon the
6 effective date of the transfer of administrative and
7 financial responsibility of public assistance from each
8 county to the department, the department succeeds to the
9 rules, procedures, and orders of each county relating to
10 public assistance.

11 (2) The rules, procedures, and orders of any county in
12 effect before the effective date of the transfer of
13 administrative and financial responsibility of public
14 assistance from each county to the state remain in effect
15 until amended, repealed, superseded, or nullified by the
16 department or by law.

17 Section 6. Legal proceedings. (1) This [act] does not
18 affect the validity of any judicial or administrative
19 proceeding pending or which could have been commenced before
20 the effective date of the transfer of the administrative and
21 financial responsibility of public assistance from each
22 county to the department.

23 (2) In any proceeding under this section the
24 department shall be substituted as the party of interest for
25 the county.

Section 7. Rights and duties under existing transactions. (1) The rights, privileges, and duties of the holders of obligations or the parties to contracts, leases, indentures, and other transactions by any county officer or employee, and covenants and agreements as set forth therein, entered into before the effective date of the transfer of administrative and financial responsibility of public assistance from each county to the department remain in effect, and none of those rights, privileges, duties, covenants, or agreements are impaired or diminished by reason of the transfer.

(2) The department is substituted for the county and succeeds to its rights and duties under the provisions of those contracts, leases, indentures, and other transactions.

Section 8. References. Unless inconsistent with this [act], after July 1, 1978, whenever a county is referred to by any law, administrative rule, contract, or other document relating to public assistance, that reference is applied to the department.

Section 9. Section 16-1003, S.C.A. 1967, is amended to read as follows:

"16-1003. Moneys for depletion allowance reserve fund. (1) Moneys for the depletion allowance reserve fund may be derived from:

(a) public and private grants;

(b) moneys collected by the hospital or nursing home for which the fund is created, from or for indigent patients, that are in excess of the expenses incurred for the care of such patients;

(c) before a state is added for any fiscal year, be added to a county under this provision of section 11-311, S.C.A. 1967, any moneys audited during the fiscal year to the depletion allowance reserve fund from the reserve provided by section 16-1003 (1) (b) of this act shall be transferred to the county poor fund to be used for lawful poor feed expenditures. The amount of the grant is and shall be determined after all sources of income available to the poor fund, including the depletion allowance reserve fund transfers, have been exhausted.

(2) The depletion allowance reserve fund may accumulate at the discretion of the governing body."

Section 10. Section 71-106, S.C.A. 1967, is amended to read as follows:

"71-106. Support of poor and indigent persons. --as law. The board of county commissioners has jurisdiction and power COUNTY MAY under such limitations and restrictions as are prescribed by law.

to provide for the care and maintenance of the indigent sick and aged, except as otherwise provided in other parts of this act, or the otherwise dependent poor of the county

1 and rehabilitation services for fiscal year 1978 for
 2 expenses related to the implementation of this act.
 3 Section 13. Liberal construction. To effect the
 4 purposes of this [act], it shall be liberally construed.
 5 Section 14. Repealer. Sections 71-222 and 71-311,
 6 R.C.M. 1947, are repealed.
 7 Section 15. Effective date. This act is effective on
 8 its passage and approval.

-End-

1 and ~~may~~ erect and maintain hospitals therefor or otherwise
 2 provide for the same and for ~~said~~ purposes to levy and
 3 collect ~~annually~~ a tax on property not exceeding thirteen
 4 and one-half ~~(13 1/2)~~ mills which ~~levy shall be made at the~~
 5 ~~time other tax levies are made on property as provided by~~
 6 ~~law.~~"

7 Section 11. Section 84-4213, R.C.M. 1947, is amended
 8 to read as follows:

9 "84-4213. Treasurer's duty to collect road and ~~poor~~
 10 taxes -- seizure and sale of property -- when read and poor
 11 tax to be paid. (1) The county treasurer must demand payment
 12 of ~~poor taxes as authorized by section 71-205 and road~~
 13 taxes authorized by section 32-201 or section 84-4732, of
 14 every person liable therefor whose name does not appear on
 15 the assessment lists and on the neglect or refusal of such
 16 person to pay the same, he must collect by seizure and sale
 17 of any property owned by such person.

18 (2) These taxes shall be added upon the assessment
 19 lists to other taxes of persons liable therefor, paying
 20 taxes upon real and personal property and paid to the county
 21 treasurer at the time of payment of other taxes. And all
 22 personal property assessed against a person shall be liable
 23 for the payment of such taxes."

24 Section 12. Appropriation. There is appropriated
 25 \$50,000 from the general fund to the department of social

-7-

-6-

H FILE NO. 532

INTRODUCED BY *Representative Keith* *South* *Spencer*
Agnew *only by FIVE* *George Kimmer*
FILE

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR STATE FUNDING OF OPERATIONAL EXPENSES FOR DISTRICT COURTS AND CLERKS OF DISTRICT COURTS; TO PROVIDE STATE FUNDING FOR SALARIES AND CONDITIONS OF EMPLOYMENT OF CLERKS OF THE DISTRICT COURTS AND STAFFS, COURT REPORTERS, JOURNALISTS, PROBATION OFFICERS AND STAFFS, AND OTHER DISTRICT COURT PERSONNEL; TO PROVIDE BUDGETING CONTROL IN THE SUPREME COURT; TO CONTINUE COUNTIES' RESPONSIBILITY FOR PROVIDING COURTROOMS AND OFFICES; CREATING A NEW R.C.M. SECTION 59-1405 DEFINING "JUDICIARY" FOR THE SALARY COMMISSION; AMENDING SECTIONS 10-123a, 16-3802, 25-210, 25-405, 25-406, 36-203, 36-204, 93-514, 93-1904, AND 93-1905, R.C.M. 1947; AND REPEALING SECTIONS 25-407, 25-408, 93-513, AND 93-1906, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Funding of courts. Beginning July 1, 1977, the operations, salaries, and other expenses of all district courts and clerks of district courts within the state shall be the financial responsibility of the state. On July 1, 1977, all supplies and equipment assigned or belonging to district courts and clerks of district courts shall be

transferred to the judicial branch of state government.

Section 2. Personnel — duties — qualifications — conditions of employment. (1) Pursuant to Article VII, section 2(2) and (3) of the Montana constitution, the supreme court shall by rule establish a personnel plan for all clerks of court, court reporters, juvenile probation officers, deputies, and staff and all other district court personnel.

(2) All full-time employees of the district courts and clerks of court shall continue in their positions of employment unless discharged for cause. No full-time employee may receive any decrease in compensation because of state funding of the judicial branch.

(3) Elected officials within the judicial branch may not be required to meet any qualifications except those required by law for election to their office.

(4) The supreme court shall prescribe by rule a compensation plan for elected clerks of court which shall take into consideration:

(a) an outline of duties to be performed;

(b) the number of full-time and part-time employees to be supervised by the clerk of district court; and

(c) the amount and kind of judicial business connected by each class of clerk of district court.

(5) The supreme court shall prescribe by rule a

1 personnel classification plan for all appointed employees of
 2 the judicial branch, which shall include:
 3 (a) a basic compensation plan of pay ranges to which
 4 classes of positions are assigned and may be reassigned;
 5 (b) the qualifications for each position or class of
 6 positions, including education, experience, special skills,
 7 and legal knowledge;
 8 (c) the procedures for and regulations governing the
 9 appointment and removal of personnel, except that:
 10 (i) the court reporter and juvenile probation officer
 11 and district court staff shall be appointed, supervised,
 12 promoted or demoted, and discharged by the appropriate
 13 district court judge or judges;
 14 (ii) the deputies and employees of the clerk of the
 15 district court shall be appointed, supervised, promoted or
 16 demoted, and discharged by the clerk of the district court;
 17 (iii) the employees of the juvenile probation office
 18 shall be appointed, supervised, promoted or demoted, and
 19 discharged by the juvenile probation officer;
 20 (d) the procedures and guidelines for the appointment,
 21 promotion, and discharge of employees; and
 22 (e) the procedures for and regulations governing the
 23 transfer of personnel.
 24 (6) Officers and employees of the judicial branch
 25 shall be paid mileage and be reimbursed for travel expenses

-3-

1 at the same rates and computed in the same manner as for all
 2 other state employees.
 3 (7) To the end that all state employees are treated
 4 generally in a similar manner, the supreme court in
 5 promulgating rules as set forth in this section shall take
 6 into consideration the compensation and classification plans
 7 and other conditions of employment applicable to employees
 8 of the executive branch.
 9 (8) After July 1, 1977, all new positions within the
 10 judicial branch may be established only by approval of the
 11 supreme court. If the supreme court authorizes a new
 12 position, the position shall be classified in accordance
 13 with the provisions of subsection (5).
 14 Section 3. Judicial branch budget. (1) Subject to the
 15 approval of the chief justice, the court administrator shall
 16 prescribe procedures governing:
 17 (a) preparation of budget requests by district courts
 18 and clerks of courts;
 19 (b) disbursement of funds appropriated to the judicial
 20 branch by the legislature;
 21 (c) the purchase of forms, supplies, equipment, and
 22 other items authorized in the judicial branch budget; and
 23 (d) any other matter relating to fiscal
 24 administration.
 25 (2) (e) Subject to the approval of the supreme court,

-4-

1 the court administrator shall prepare a biennial budget for
2 the supreme court, all district courts, offices of the
3 clerks of district courts, and any other budgetary entity of
4 the supreme court. The budget is to be known as the judicial
5 branch operating budget.

6 (b) Subject to the approval of the supreme court, the
7 court administrator shall prepare and submit a biennial
8 budget request as provided in the state Budget Act.

9 (c) The budget request of the judicial branch shall be
10 included without change in the budget submitted by the
11 governor to the legislature.

12 (3) The legislature shall make an adequate
13 appropriation to the judicial branch based upon an
14 evaluation of the budget request and the availability of
15 state funds.

16 (4) The court administrator shall consult with the
17 department of administration in preparation of procedures
18 pertaining to budgetary and fiscal practice, forms, and the
19 disbursement of funds.

20 Section 4. Facilities furnished by county. (1) Each
21 county governing body shall provide and maintain adequate
22 courthouses, offices, and other court facilities, including
23 janitorial services, for district courts and clerks of court
24 and staffs.

(2) The supreme court may by interlocal agreement

1 enter into agreements for administrative or other services
2 and equipment use with local governments.

3 Section 5. There is a new 8.C.B. section numbered
4 59-1405 that reads as follows:

5 59-1405. Judiciary defined. In this chapter
6 "judiciary" means the chief justice of the supreme court,
7 all associate justices of the supreme court, the clerk of
8 the supreme court, and all district court judges.

9 Section 6. Section 10-1234, 8.C.B. 1987, is amended to
10 read as follows:

11 "10-1234. Probation officers — powers — duties —
12 qualifications. (1) The youth division judge of each
13 judicial district shall appoint such necessary probation
14 officers as are required to carry out the purpose and intent
15 of this act. He shall appoint such part-time probation
16 officers as shall be required. The qualifications for
17 part-time probation officers shall approximate those
18 required for probation officers in so far as possible. A
19 chief probation officer shall be appointed by the judge to
20 supervise the youth division offices in the judicial
21 district. The judge shall also insure that the youth
22 division offices are staffed with necessary office personnel
23 and that the offices are properly equipped to effectively
24 carry out the purpose and intent of this act. No person
25 while serving as a law enforcement officer shall be

1 appointed or perform the duties of a full-time or part-time
2 probation officer.

3 (2) Any person appointed as a chief probation officer
4 must have the following qualifications:

- 5 (a) a master's degree in the behavioral sciences or;
- 6 (b) a bachelor's degree from an accredited college or
- 7 university in the behavioral sciences, and at least one (1)
- 8 year's experience in work of a nature related to the duties
- 9 of a probation officer as set forth in subsection (4) of
- 10 this section; or
- 11 (c) a bachelor's degree in any field and at least
- 12 three (3) years' experience in work related to the duties of
- 13 a probation officer as set forth in subsection (4) of this
- 14 section.

15 (d) The judge may appoint any reputable person as a
16 probation officer who has had experience in work of a nature
17 related to the duties of a chief probation officer;
18 provided, preference shall be given to persons with the
19 qualifications set forth in subsection (2) above.

20 ~~(4)(3)~~ A probation officer shall:

- 21 (a) perform the duties set out in section 10-121c;
- 22 (b) make predisposition studies and submit reports
- 23 and recommendations to the court;
- 24 (c) supervise, assist and counsel youth placed on
- 25 probation or under his supervision;

(d) perform any other functions designated by the
court.

~~(4)(3)~~ A probation officer shall have no power to make
arrests or to perform any other law enforcement functions in
carrying out his duties except that a probation officer may
take into custody any youth who violates either his
probation or a lawful order of the court.

~~(4)~~ A chief probation officer shall receive for his
services a ~~sum specified by the court~~ ~~however, the judge~~
~~may employ him on a yearly salary, not to be less than~~
~~twelve thousand five hundred dollars (\$12,500) nor more than~~
~~eighteen thousand dollars (\$18,000) depending on the federal~~
~~rating and experience of each representative officer. The~~
~~salary of each officer shall be appropriated money and paid~~
~~by each of the counties in which such officer is appointed~~
~~to duty, in proportion to the assessed valuation of each~~
~~county for the same year, except where such officer is~~
~~appointed for one (1) county whereby each county shall pay~~
~~the entire salary.~~

~~The judge having jurisdiction of juvenile matters may~~
~~also appoint such additional persons giving preference to~~
~~persons having the qualifications suggested for appointment~~
~~as the chief probation officers to serve as deputy probation~~
~~officers as the judge deems necessary. Such salaries to be~~
~~fixed by the judge, provided that such salaries shall not~~

1 ~~second ninety percent (90%) of the salary of the chief~~
 2 ~~probation officer~~
 3 ~~for all necessary travel expenses to the office~~
 4 ~~when in connection with the investigation, supervision~~
 5 ~~and transportation of youth, the probation officer shall be~~
 6 ~~added to the office salary, be reimbursed for actual~~
 7 ~~expenses incurred."~~

8 Section 7. Section 16-3802, R.C.B. 1987, is amended to
 9 read as follows:

10 "16-3802. Enumeration of county charges — limitation
 11 as to state prison cases. (1) The following are county
 12 charges:

13 (a) Charges incurred against the county by virtue of
 14 any provision of this title.

15 (b) One-half of the salary of the county attorney, and
 16 all expenses necessarily incurred by him in criminal cases
 17 arising within the county.

18 (c) The salary and actual expenses for traveling when
 19 on official duty allowed by law to sheriffs, and the
 20 compensation allowed by law to constables for executing
 21 process on persons charged with criminal offenses.

22 (d) The board of prisoners confined in jail.

23 (e) The sum required by law to be paid to grand and
 24 petit jurors and witnesses in criminal cases in justice
 25 courts and in coroner's inquests.

1 (f) The accounts of the coroner of the county for such
 2 services as are provided by law.

3 (g) All charges and accounts for services rendered by
 4 any justice of the peace for services in the examination or
 5 trial of persons charged with crime as provided for by law.

6 (h) The necessary expenses incurred in the support of
 7 county hospitals and poor farms, and the indigent sick and
 8 the otherwise dependent poor whose support is chargeable to
 9 the county.

10 (i) The contingent expenses necessarily incurred for
 11 the use and benefit of the county.

12 (j) Every other use directed by law to be raised for
 13 any county purpose under the direction of the board of
 14 county commissioners, or declared to be a county charge.

15 (2) Notwithstanding the preceding subsections, all
 16 costs of a criminal prosecution, including attorneys' fees,
 17 of an offense committed in the state prison are not charges
 18 against the county in which the state prison is located.

19 Such costs shall be paid by the department of institutions."
 20 Section 8. Section 25-210, R.C.B. 1987, is amended to
 21 read as follows:

22 "25-210. Fees for naturalization. The clerk of the
 23 district court shall collect from every person to whom a
 24 final certificate of naturalization is issued, at the time
 25 the same is issued, all fees authorized by law. All fees

1 Prepare a certificate at the time each juror is excused from
 2 further service. The certificate shall state the name and
 3 address of the juror, the number of days in attendance, the
 4 number of miles traveled, and the total amount of money due
 5 him.
 6 (2) The juror certificate shall be mailed to the
 7 supreme court administrator, who shall be responsible for
 8 the prompt payment of the amount of money due the juror."
 9 Section 10. Section 25-406, R.C.M. 1947, is amended to
 10 read as follows:
 11 "25-406. Duties of clerk is reference to witnesses;
 12 certificate Payment of witnesses. The witnesses in criminal
 13 actions must report their presence to the clerk the first
 14 day they attend under the subpoena, and at the time any
 15 witness is excused from further attendance the clerk must
 16 give to each witness a certificate taken from a book
 17 containing a tab with the designation assigned by the
 18 clerk, under which in which must be entered the name of
 19 witness, the number of days in attendance, the number of
 20 miles traveled, and the amount due, and the presentation of
 21 such certificate to the county treasurer, the amount
 22 specified in the certificate must be paid out of the general
 23 fund. (1) The witnesses in criminal actions must report
 24 their presence to the clerk of the district court the first
 25 day they attend under subpoenas. At the time any witness is

1 must be excused for and paid to the county treasurer as
 2 provided by section 25-403, and shall be credited to the
 3 general fund of the county state."
 4 Section 9. Section 25-405, R.C.M. 1947, is amended to
 5 read as follows:
 6 "25-405. Duties of clerk as to juror Payment of
 7 juror. The clerk must give to each juror, at the time he is
 8 excused from further service, a certificate taken from a
 9 book containing a tab with a like designation, signed by
 10 himself under seal, in which must be entered the name of the
 11 juror, the number of days in attendance, the number of miles
 12 traveled, and the amount due, and the presentation of such
 13 certificate to the county treasurer, the amount specified in
 14 the certificate must be paid out of the general fund, and
 15 the clerk must take a detailed statement containing a list
 16 of the jurors, the amount of fees and mileage earned by
 17 each, and file the same with the clerk of the board of
 18 county commissioners on the first day of every regular
 19 meeting of the board, and no quarterly salary shall be paid
 20 the clerk until each statement is filed. The board must
 21 examine each statement and see that it is correct. The clerk
 22 must keep a record of the attendance of jurors and compute
 23 the amount due for mileage, and the distance from any point
 24 to the county seat must be determined by the shortest
 25 traveled route. (1) The clerk of the district court shall

1 excused from further attendance, the clerk shall prepare a
 2 certificate which states the name and address of the
 3 witness, the number of days in attendance, the number of
 4 miles traveled, and the total amount of money due the
 5 witness.

6 (2) The witness certificate shall be mailed to the
 7 supreme court administrator, who shall be responsible for
 8 the prompt payment of the amount of money due the witness.

9 Section 11. Section 36-203, R.C.M. 1947, is amended to
 10 read as follows:

11 "36-203. Conciliation court -- judges -- budget --
 12 conciliation counselors -- probation officers -- proceedings
 13 confidential. (1) Exercise of Jurisdiction. Each district
 14 court shall exercise the jurisdiction conferred by this
 15 chapter, and while sitting in the exercise of such
 16 jurisdiction shall be known and referred to as the
 17 "conciliation court."

18 (2) Selection of Judges. In counties having more than
 19 one judge of the district court, the judges of such court
 20 shall annually, in the month of January or July, designate
 21 at least one judge to hear all cases under this chapter. The
 22 judge or judges so designated shall hold as many sessions of
 23 the conciliation court in each week as are necessary for the
 24 prompt disposition of the business before the court.

25 (3) Transfer of Cases. Another district judge may be

1 called in by the judge of the conciliation court to act as
 2 judge of the conciliation court during any period when the
 3 judge of the conciliation court is on vacation, absent, or
 4 for any reason unable to perform his duties. Any judge so
 5 appointed shall have all of the powers and authority of a
 6 judge of the conciliation court in cases under this chapter.

7 (4) Budget. ~~the president of the county judges~~
 8 ~~or other committee in 1941 to 1941, inclusive, R.C.M. 1947,~~
 9 ~~shall, except as provided by section 7, subsections 6 to 16-204~~
 10 ~~(4) of this act, be applicable to expenditures for the~~
 11 ~~cost of conciliation provided, however, that the court may~~
 12 ~~obtain to the board of county commissioners the information~~
 13 ~~required by sections 16-1601 as on before July 1st of each~~
 14 ~~year. The conciliation court budget shall be separately~~
 15 ~~identifiable but included within the district court budget.~~

16 (5) Manner of Conciliation. The judge of the
 17 conciliation court may hear all matters invoked under this
 18 act or he may refer such matters to a pastor or director of
 19 any religious denomination to which the parties may belong,
 20 psychiatrist, physician, attorney, social worker, or other
 21 person who is competent and qualified by training and
 22 experience in personal counseling. Such person shall be
 23 referred to herein as the conciliation counselor.

24 The conciliation counselor shall:

25 (a) Hold conciliation conferences with parties to, and

1 hearings in, proceedings under this chapter, and make
2 recommendations concerning such proceedings to the judge of
3 the conciliation court.
4 (b) Cases such reports to be made, such statistics to
5 be compiled, and such records to be kept as the judge of the
6 conciliation court may direct.

7 (6) Probation Officers Duties. The probation officer
8 in every county shall give such assistance to the
9 conciliation court as the court may request to carry out the
10 purposes of this chapter, and to that end the probation
11 officer shall, upon request and with the consent of both
12 parties, make investigations and reports as requested, and
13 in cases pursuant to this chapter, shall exercise all the
14 powers and perform all the duties granted or imposed by the
15 laws of this state relating to probation or to probation
16 officers.

17 (7) Privacy of Hearings. All district court hearings
18 or conferences in proceedings under this chapter shall be
19 held in private and the court shall exclude all persons
20 except the officers of the court, the parties, their counsel
21 and witnesses. Conferences may be held with each party and
22 his counsel separately and in the discretion of the judge or
23 counselor conducting the conference or hearing, all counsel
24 may be excluded. All communications, verbal or written, from
25 parties to the judge or counselor in a proceeding under this

chapter shall be deemed made to such officer in official
confidence.
The files of the conciliation court shall be closed.
The petition, supporting affidavit, reconciliation agreement
and any court order made in the matter may be opened to
inspection by any party or his counsel upon the written
authority of the judge of the conciliation court.

(8) Jurisdiction. The jurisdiction of the conciliation
courts and the powers thereof shall be as provided in the
Constitution of Montana, Chapter 3 [Title 93], Revised Codes
of Montana, 1947, and acts amendatory and relating thereto,
including the right of disqualification of any judge of the
conciliation court."

Section 12. Section 36-204, B.C.B. 1947, is amended to
read as follows:

"36-204. Procedure. (1) Whenever any controversy
exists between the spouses which may, unless a
reconciliation is achieved, result in the dissolution or
annulment of the marriage or in the disruption of the
household, and there is any minor child of the spouses or of
either of them whose welfare might be affected thereby, the
conciliation court shall have jurisdiction over the
controversy, and over the parties thereto and all persons
having any relation to the controversy as further provided
in this chapter.

(2) Prior to the filing of any action for divorce, annulment or separate maintenance, either spouse, or both spouses, may file in the conciliation court a petition invoking the jurisdiction of the court for the purpose of preserving the marriage by effecting a reconciliation between the parties, or for amicable settlement of the controversy between the spouses, so as to avoid further litigation over the issue involved.

(3) The petition shall be captioned substantially as follows:

District Court of the State of Montana

For the County of

upon the petition of
petition for Conciliation

(Under the Conciliation

Court Law)

Petitioner

And concerning pay

..... and

100

represent

To the Conciliation Court:

(4) The petition shall:

(a) Allege that a controversy exists between the spouses and request the aid of the court to effect a reconciliation or an amicable settlement of the controversy.

(b) state the name and age of each minor child whose

selfare may be affected by the controversy.

(c) State the name and address of the petitioner, or the names and addresses of the petitioners.

(d) If the petition is presented by one spouse only, name the other spouse as a respondent, and state the address of that spouse.

(e) also name as a respondent any other person who has any relation to the controversy, and state the address of the person, if known to the petitioner.

(f) State such other information as the court may by rule require.

(5) The clerk of the court shall provide, at the expense of the county, blank forms for petitions for filing pursuant to this chapter. The probation officers of the county and the attaches and employees of the conciliation court shall assist any person in the preparation and presentation of any such petition, when any person requests such assistance. All public officers in each county shall refer to the conciliation court all petitions and complaints made to them in respect to controversies within the jurisdiction of the conciliation court.

(c) **No Fees.** No fee shall be charged by any officer for filing the petition, nor shall any fee be charged by any officer for the performance of any duty pursuant to this Chapter.

(7) Time and place of hearings. The court shall fix a reasonable time and place for hearing on the petition, and shall cause such notice of the filing of the petition and the time and place of the hearing as it deems necessary to be given to the respondents. The court may, when it deems it necessary, issue a citation to any respondent requiring him to appear at the time and place stated in the citation, and may require the attendance of witnesses as in other civil cases.

(8) For the purpose of conducting hearings pursuant to this chapter, the conciliation court may be convened at any time and place within the district, and the hearing may be held in chambers or otherwise, except that the time and place for hearing shall not be different from the time and place provided by law for the trial of civil actions if any party, prior to the hearing, objects to any different time or place.

(9) Hearings Informal. The hearing shall be conducted informally as a conference or series of conferences to effect a reconciliation of the spouses or an amicable adjustment or settlement of the issues of the controversy. To facilitate and promote the purposes of this act the court may, with the consent of both of the parties to the proceeding, recommend or invoke the aid of physicians or psychiatrists, or other specialists or scientific experts,

-19-

or of the pastor or director of any religious denomination to which the parties may belong. ~~Such aid, however, shall not be at the expense of the court or of the county, unless the county considers of the county specifically provide and authorize such aid.~~

(10) Orders—Effective Time—Reconciliation Agreement. At or after hearing, the court may make such orders in respect to the conduct of the spouses and the subject matter of the controversy as the court deems necessary to preserve the marriage or to implement the reconciliation of the spouses, but in no event shall such orders be effective for more than thirty (30) days from the hearing of the petition, unless the parties actually consent to a continuation of such time.

Any reconciliation agreement between the parties may be reduced to writing and, with the consent of the parties, a court order may be made requiring the parties to comply fully therewith.

(11) During a period beginning upon the filing of the petition for conciliation and continuing until thirty (30) days after the hearing of the petition for conciliation, neither spouse shall file any action for divorce, annulment of marriage, or separate maintenance. If, however, after the expiration of such period, the controversy between the spouses has not been terminated,

-20-

1 either spouse may institute proceedings for divorce,
 2 annulment of marriage or separate maintenance. The pendency
 3 of a divorce, annulment, or separate maintenance action
 4 shall not operate as a bar to the instituting of proceedings
 5 for conciliation under this chapter.

6 (12) Stay of Divorce Proceedings—Where Conciliation
 7 Petition Filed First. Whenever any action for divorce,
 8 annulment of marriage, or separate maintenance is filed in
 9 the district court, and it appears to the court at any time
 10 during the pendency of the action that there is any minor
 11 child of the spouses or of either of them whose welfare may
 12 be adversely affected by the dissolution or annulment of the
 13 marriage or the disruption of the household, and that there
 14 appears to be some reasonable possibility of a
 15 reconciliation being effected, the case may be transferred
 16 to the conciliation court for proceedings for reconciliation
 17 of the spouses or amicable settlement of issues in
 18 controversy, in accordance with the provisions of this
 19 chapter.

20 (13) Jurisdiction Where No Minors Involved. Whenever
 21 application is made to the conciliation court for
 22 conciliation proceedings in respect to a controversy between
 23 spouses, or a contested action for divorce, annulment, or
 24 separate maintenance, but there is no minor child whose
 25 welfare may be affected by the results of the controversy,

1 and it appears to the court that reconciliation of the
 2 spouses or amicable adjustment of the controversy can
 3 probably be achieved, and that the work of the court in
 4 cases involving children will not be seriously impeded by
 5 acceptance of the case, the court may accept and dispose of
 6 the case in the same manner as similar cases involving the
 7 welfare of children are disposed of. In the event of such
 8 application and acceptance, the court shall have the same
 9 jurisdiction over the controversy and the parties thereto or
 10 having any relation thereto that it has under this chapter
 11 in similar cases involving the welfare of children."

12 Section 13. Section 93-514, R.C.M. 1947, is amended to
 13 read as follows:

14 "93-514. Deaf persons — court appointed interpreters.
 15 Whenever any deaf person is a party to any legal proceeding
 16 of any nature, or a witness therein, the court in all
 17 instances shall ~~may~~ appoint a qualified interpreter of the
 18 deaf sign-language capable of communicating with the deaf
 19 person to interpret the proceedings to and the testimony of
 20 such deaf person. The court shall determine a reasonable
 21 fee for all such interpreter services which shall be paid
 22 out of ~~general treasury funds~~ the district court budget by the
 23 state of Montana."

24 Section 14. Section 93-1904, R.C.M. 1947, is amended
 25 to read as follows:

1 "93-1904. To furnish copies to parties, the reporter
2 to furnish transcripts. (1) Each reporter specified in this
3 chapter shall likewise, upon request, furnish with all
4 stenographic litigation, to the defendant in a criminal case
5 or party or his attorney in a civil case, in which he has
6 attended the trial or hearing, a copy, without cost to him, of
7 or its narrative form, from his stenographic notes, of the
8 testimony and proceedings, or a part thereof, upon the order
9 or hearing, upon payment by the person requesting the copy
10 the cost of paper and one-half cent (1/2 cent) per folio. If
11 the copy is made by the reporter, general or judge, registered
12 each copy is a certified copy, the reporter to certify to
13 its correctness, but he must furnish it, and upon
14 furnishing it, he shall receive a certificate of the cost to
15 which he is entitled, which he is to certify, and then
16 to be paid by the county treasurer upon the certificate. The
17 other county charges, if the judge requires such a copy in a
18 civil case, to assist him in rendering a decision, the
19 reporter must furnish the same without charge, therefore, if
20 it appears to the judge that a defendant in a criminal case
21 is unable to pay for such copy, the same shall be furnished
22 without cost by the county. Shall provide the transcripts
23 written out from his stenographic notes, of testimony of a
24 hearing or trial or part of a hearing or trial, to a party
25 his attorney, or judge.

1 (2) The reporter shall be paid 7 1/2 cents per folio
2 for the transcript, except that a judge requiring a
3 transcript to assist him in rendering a decision in a civil
4 case shall be provided a transcript at no cost.
5 (3) The state of Montana shall pay for all transcripts
6 for:
7 (a) a county prosecuting attorney, the attorney
8 general, or the judge in a criminal case; and
9 (b) the defendant in a criminal case if the judge has
10 determined that the defendant is unable to pay for a
11 transcript."

12 Section 15. Section 93-1905, R.C.M. 1947, is amended
13 to read as follows:

14 "93-1905. Amount to be paid by each party in civil
15 action. In every issue of fact in civil actions tried before
16 the court or jury, before the trial commences, there must be
17 paid into the hands of the clerk of the court, by each party
18 to the suit, the sum of three dollars, which sum must be
19 paid by said clerk into the treasury of the county where the
20 case is tried, to be applied upon the payment of the
21 salary of the reporter, and the prevailing party may have
22 the amount so paid by him taxed in his bill of costs as
23 proper disbursements."

24 Section 16. Saving clause. This act does not affect
25 rights and duties that matured, penalize that were

1 incurred, or proceedings that were initiated before the
2 effective date of this act.

3 Section 17. Severability. If a part of this act is
4 invalid, all valid parts that are severable from the invalid
5 part remain in effect. If a part of this act is invalid in
6 one or more of its applications, the part remains in effect
7 in all valid applications that are severable from the
8 invalid applications.

9 Section 18. Repealer. Sections 25-407, 25-408, 93-513,
10 and 93-1976, R.C.H. 1987, are repealed.

11 Section 19. Effective date. This act is effective July
12 1, 1977.

-End-

INTRODUCED BY H. BILL NO. 294
David L. Bergeson

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND AMEND THE LAWS RELATING TO LOCAL PUBLIC HEALTH: AMENDING SECTIONS 27-613, 34-3C3, 69-411C, 69-4514, 69-56C4, 69-57C1, AND 75-5934, R.C.M. 1947; AND REPEALING SECTION 69-411B, R.C.M. 1947, AND CHAPTER 45 OF TITLE 65, R.C.M. 1947, IN ITS ENTIRETY."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in this chapter, the following definitions apply:

(1) "Board" means a local board of health which is either a county board or a district board comprised of members from two or more contiguous counties.

(2) "Department" means the department of health and environmental sciences.

(3) "Environmental health services" means those services provided by a public agency by means of sanitation services that are directed toward promoting sanitation, controlling or eradicating environmental pollution, and maintaining a healthful environment for the general public.

(4) "Individual sewage treatment installer" means a person who places, constructs, or alters all or any part of

an individual sewage treatment system.
 (5) "Individual sewage treatment system" means a sewage treatment system which serves a public or private structure not connected to a public or municipal sewage treatment system.

(6) "Local health officer" means a physician or nonphysician county or district health officer.

(7) "Local health department" means the department of county government which is administered by the local board of health and which provides the local public health program defined in [section 2] and any additional public health programs and services provided according to local needs and priorities.

(8) "Noncategorical federal monies" means any moneys provided to the department of health and environmental sciences by the federal government and not designated for specific programs.

(9) "Personal health services" means those services provided by a public agency by means of public health nursing and other professional and ancillary services that are directed toward promoting and maintaining optimum health and preventing illness among the general public.

(10) "Public health personnel" means all employees whose services have been obtained by the local board of health to provide the local public health program, including

INTRODUCED BILL

-2-

HB294

the local health officer.

Section 2. Local public health program. There shall be a local public health program provided by each county which may include but not necessarily be limited to the following:

- (1) the services of a local health officer;
- (2) community health nursing, including home health nursing;
- (3) school nursing;
- (4) sanitarian services;
- (5) health and nutrition education; and
- (6) dental health education and services.

Section 3. Structure. (1) There shall be a local board of health in each county which shall administer the local health department.

(2) A local board of health may be either:

- (a) a county board of health; or
- (b) a district board of health with at least one member appointed by each participating county.

(3) Board membership shall include the following individuals:

- (a) no more than one county commissioner from each participating county;
- (b) at least one member to represent the interests of the municipalities within the county;
- (c) a physician licensed to practice medicine in

Montana, if one is available in the county and if he wishes to serve; or, if not, some other health professional;

(d) at least one representative of the schools within the county; and

(e) additional members to be selected to represent a reasonable cross section of the community.

(4) No public health personnel employed by the local health department may be designated as members of the board for that department.

(5) If a district board of health is formed, the governing bodies of all participating counties shall mutually agree on which county shall appoint each of the individuals in subsection (3) of this section.

(6) Members of boards shall serve at the pleasure of the county commissioners.

(7) Terms of members shall be staggered and shall be for 3 years each.

(8) The county governing body shall establish the staggered order of terms and all regulations necessary to establish and maintain the board.

Section 4. Administrative provisions. (1) Each board shall meet at least quarterly.

(2) Each board shall at a minimum obtain the services of:

- (a) a local health officer;

(b) a nurse licensed under 66-1228 and preferably one with public health education or experience; and

(c) a sanitarian licensed under title 69, chapter 30.

(3) The local health officer shall be either a physician licensed to practice medicine in Montana, an individual with a master's degree in public health, or an individual with appropriate public health experience as determined by the department.

(4) If a nonphysician health officer is appointed, all components of the public health program requiring the services of a physician shall either be obtained from a physician employee of the department or contracted from another physician licensed to practice medicine in Montana.

(5) Except in counties in which the school districts themselves provide school nursing services in accordance with 75-5534, school nursing services shall be provided by the local health department. A school district may also contract with a board for the provision of school nursing services.

(6) The local health officer shall report:

(a) communicable diseases to the department each week;

(b) sanitary conditions within the jurisdiction of the board to the board and to the department each quarter; and

(c) general public health conditions and activities in the areas of personal and environmental health services

conducted within the jurisdiction of the board to the board and to the department each quarter.

(7) Reports shall be submitted in forms provided by the department and contain information required by the department.

(8) Each county shall provide adequate office space for local public health personnel.

Section 5. Functions, powers, and duties of local boards of health. (1) A board shall:

(a) provide for a program of public health services which may include those services defined in [section 2];

(b) employ the minimum qualified staff necessary to conduct the public health program in accordance with the provisions of [section 4(2)]; and

(c) provide annually to the department a budget and a detailed program plan for the local health department.

(2) A local board may:

(a) hire personnel in addition to those required in [section 4(2)] to assist with the provision of the public health program;

(b) initiate and implement programs and measures other than those defined in [section 2] to enhance the general public health within the jurisdiction of the board;

(c) solicit and accept funds from the federal government or from any other agency or individual for the

- 1 purpose of conducting public health programs;
- 2 (d) contract with another county or agency to perform
- 3 all or portions of the public health program;
- 4 (e) adopt rules, fees, and permit systems for:
- 5 (i) the control and disposal of sewage from private
- 6 and public buildings not currently connected to any
- 7 municipal system;
- 8 (ii) the certification of individual sewage treatment
- 9 installers;
- 10 (iii) the regulation and control of sanitary conditions
- 11 in establishments licensed by the state under Title 27,
- 12 Chapter 6; Title 38, Chapter 3; and Title 69, Chapter 56;
- 13 (iv) local subdivision review responsibilities in
- 14 accordance with Title 69, Chapter 50;
- 15 (f) adopt other rules which do not conflict with and
- 16 which are at least as stringent as the rules promulgated by
- 17 the department or the state board of health and
- 18 environmental sciences but which are necessary to the
- 19 provision of the public health program and to the
- 20 implementation of state laws and rules relating to public
- 21 health. These rules may include but are not limited to:
- 22 (i) the control of communicable diseases;
- 23 (ii) sanitation, heating, ventilation, water supply,
- 24 and waste disposal in public buildings and public
- 25 accommodations; and
- (iii) other environmental and personal health services;
- (g) take any action, including legal action, necessary
- to meet an emergency endangering the public health or to
- restrain the violation of public health laws, ordinances, or
- rules being violated within the jurisdiction of the board.
- (3) The local health officer, with the concurrence of
- the board and the assistance of other local public health
- personnel, shall:
- (a) keep the department informed of changes in the
- membership of the board and changes in personnel employed by
- the board;
- (b) make inspections and otherwise insure sanitary
- conditions in the jurisdiction of the board. Establishments
- to be inspected shall include but are not necessarily
- limited to the following:
- (i) food service establishments;
- (ii) lodging establishments;
- (iii) tourist campgrounds and trailer courts;
- (iv) schoolhouses;
- (v) churches;
- (vi) theaters;
- (vii) jails; and
- (viii) other buildings or facilities where persons
- assemble.
- (c) guard against the introduction and spread of

- 1 communicable diseases:
 - 2 (d) conduct other environmental and personal health
 - 3 programs as required by law and rules of the department;
 - 4 (e) cooperate with the department in the provision of
 - 5 statewide programs; and
 - 6 (f) submit reports in accordance with [section 4(6)].
 - 7 (4) The local health officer, with the concurrence of
 - 8 the board and the assistance of other local public health
 - 9 personnel, may:
 - 10 (a) establish and maintain quarantines and take other
 - 11 measures to guard against the spread of communicable
 - 12 diseases;
 - 13 (b) isolate persons, animals, and objects which are
 - 14 infected or suspected of being infected with a communicable
 - 15 disease which is a threat to human health;
 - 16 (c) disinfect places when a period of quarantine ends;
 - 17 (d) forbid persons to assemble if the assembly
 - 18 endangers the public health;
 - 19 (e) validate state licenses issued by the department
 - 20 in accordance with 27-613, 34-303, and 69-5604;
 - 21 (f) abate nuisances affecting the public health and
 - 22 safety;
 - 23 (g) make full use of the consultative services,
 - 24 technical assistance, and continuing education services
 - 25 available from the department;
- 1 (h) issue a written order to close for up to 72 hours
 - 2 an establishment licensed under title 27, chapter 6; title
 - 3 34, chapter 3; and title 66, chapter 56, the sanitary
 - 4 conditions of which, in the opinion of the health officer,
 - 5 are an imperative threat to the public health and require
 - 6 emergency action. The proprietor of the establishment may
 - 7 submit a plan for correction of the conditions which caused
 - 8 the closure. If the plan is acceptable and the violations
 - 9 are corrected, the order for closure may be rescinded within
 - 10 the 72-hour period, but in no event may such closure exceed
 - 11 72 hours unless there has been no significant effort to
 - 12 correct the violations.
 - 13 (i) collect fees; and
 - 14 (j) request a law enforcement officer or another
 - 15 public official to assist in carrying out the provisions of
 - 16 this chapter. The official shall render the services as
 - 17 requested.
 - 18 Section 6. Role of department. (1) The department
 - 19 shall develop manuals and handbooks for use by boards, local
 - 20 health officers, and other local public health personnel.
 - 21 The manuals and handbooks shall include but not necessarily
 - 22 be limited to the following:
 - 23 (a) an appropriate local public health program which
 - 24 may include but not necessarily be limited to those services
 - 25 defined in [section 2] and which takes into account both the

1 rural and urban characteristics of local health departments
 2 in Montana and available manpower and financial resources as
 3 well as available private medical and health services and
 4 facilities throughout the state;
 5 (b) the format and content of budgets and program
 6 plans required as a condition of receiving state and federal
 7 revenues for public health services and programs;
 8 (c) the content of training and continuing education
 9 programs which the department shall conduct for local public
 10 health personnel; and
 11 (d) the content of standard reporting forms required
 12 periodically of local health departments by the department.
 13 (2) In developing the content of the annuals or
 14 handbooks or any rules affecting local health departments,
 15 the department shall solicit formal consent and suggestions
 16 from local health officers, boards, and other local public
 17 health personnel.

18 (3) The department shall annually evaluate the staff
 19 of and services and programs provided by local health
 20 departments and by school districts which provide their own
 21 school nursing services. Public health programs and services
 22 provided by other agencies shall also be evaluated by the
 23 department if local funds in any proportion are utilized to
 24 provide the services. The report of the evaluation shall be
 25 made available to the local health officer, board, and

1 county governing body.
 2 (4) In order to fulfill its responsibility of
 3 providing supportive services to local health departments,
 4 the department shall:
 5 (a) provide consultative and legal services and
 6 technical assistance in the formation and ongoing operation
 7 and administration of and budgeting for local health
 8 departments;
 9 (b) coordinate between all bureaus of the department
 10 all contacts with and visits and communications to boards,
 11 local health officers, and other public health personnel;
 12 and
 13 (c) actively and continuously solicit funds available
 14 from federal and other agencies for use by boards.
 15 (5) The department say:
 16 (a) when practicable and particularly in emergency
 17 public health situations, provide department employees on a
 18 temporary loan basis as supplemental staff to local health
 19 departments;
 20 (b) request any necessary reports of local health
 21 officers and other local public health personnel in addition
 22 to those required in [section 4(6)]. The department should,
 23 however, give adequate notice about the due date and
 24 adequate explanation of the need for any reports it intends
 25 to request.

(c) develop a recommended minimum fee schedule for personal health services, basing the schedule on actual costs and providing for a sliding scale based on income.

(6) If, in the opinion of the department, the services of the minimum required staff have not been obtained by a board, the department shall, after adequate notice has been given to the affected board or school district, provide the staff services itself. The department may then submit an itemized bill to the appropriate board or school district for an equitable amount of the board or school district share to cover the costs of providing the services.

Section 7. Financing. (1) Rather than providing direct public health services itself, the department shall offer any available financial resources to boards to provide public health programs which are authorized or mandated by state or federal law and whose purposes are to provide services directly to the citizens of the state. Exceptions to this provision are the following programs:

(a) air quality programs;

(b) central recording of vital statistic documents;

(c) departmental consulting and reference services available to local health departments and boards;

(d) family planning programs;

(e) hospital and medical facilities licensing and certification;

(f) specialized medical and diagnostic services;

(g) statewide health planning; and

(h) water quality programs.

(2) If the boards do not wish to provide or are incapable of providing any program offered by the department, the department may provide the program.

(3) Nothing in subsections (1) and (2) above shall be construed to mean that the department is prohibited from offering the above direct service programs to local health departments and boards if it so desires.

(4) Noncategorical federal moneys which are appropriated to the state for distribution to local health departments, including those appropriated under Public Law 94-63, shall be allocated by the department to boards at the rate of at least 45 cents per capita of state population a year for as long as the program continues. This amount may be adjusted if the total federal allocations to Montana increase or decrease under any federal programs, but not less than 70% of the total amount received from the federal government under Public Law 94-63 shall be allocated to boards. The minimum amount allocated to any board shall be at least \$800 per year.

(5) County contributions toward the budgets for public health programs of local health departments shall be financed by either:

1 (a) an appropriation from the county general fund
2 after approval of a budget in the manner provided for other
3 county offices and departments under title 16, chapter 19:
4 or
5 (b) a levy of not more than 5 mills may be made on the
6 taxable valuation of all property in the county in addition
7 to all other levies authorized by law.
8 (6) State and federal moneys allocated to boards for
9 noncategorical public health programs may not be utilized to
10 supplant county revenues which are contributed to the
11 budgets of local health departments.
12 (7) Except for school districts which provide the
13 required school nursing services themselves in accordance
14 with 75-593a, each elementary and secondary school district
15 shall appropriate to the board an amount to be agreed upon
16 by the school district and the board for the purpose of
17 providing school nursing services and other services of the
18 local health department which will benefit the schools and
19 school children.
20 (8) As a condition of receiving state revenues or
21 federal revenues allocated to the state for public health
22 programs and services, the board shall submit an annual
23 budget and a detailed program plan to the department
24 annually. No conditions other than the provisions contained
25 in this chapter and federal merit system requirements may be

1 imposed on boards as requirements for eligibility to receive
2 noncategorical state and federal funds.
3 (9) All fees collected by the local health department
4 shall be deposited in an account to be used only to defray
5 the expenses of providing the program of the local health
6 department.
7 (10) All fees available to the department for licenses,
8 permits, or other programs shall be shared with boards if
9 the local health department has assisted with the
10 administration of the program from which the fee resulted.
11 The department shall share an appropriate percentage of the
12 fee commensurate with the local health department's effort.
13 Section 8. Section 27-613, R.C.M. 1947, is amended to
14 read as follows:
15 "27-613. Licenses required -- limited to premises --
16 local health officer -- validation --- publicly owned
17 establishments except -- right to license. (1) A person
18 operating an establishment shall procure an annual license
19 from the department.
20 (2) A separate license is required for each
21 establishment, but if more than one type of
22 establishment is operated on the same premises and under the
23 same management, only one type of license is required.
24 (3) Only one type of license is required for a person
25 owning and operating one type of more vending machines.

1 (4) Each license issued under this charter is not
 2 valid until countersigned by the local health officer having
 3 jurisdiction in each county in which the business will be
 4 conducted. The department shall refer all licenses to the
 5 local health officer for his signature prior to the issuance
 6 of a license by the department. The initial license and
 7 subsequent renewals are invalid until the validation
 8 signature is affixed. The validation signature may be
 9 affixed only after the local health officer is satisfied
 10 that the establishment has met sanitary conditions required
 11 by rules of the department.

12 (44)(5) Licenses expire on December 31 following the
 13 date of issue unless canceled for cause.

14 (44)(6) Licenses are not transferable nor applicable to
 15 any premises other than that for which the license was
 16 issued.

17 (44)(7) Establishments owned or operated by the state,
 18 or a political subdivision of the state, are exempt from
 19 license but must comply with the requirements of this
 20 chapter and rules adopted by the department under this
 21 chapter.

22 (47)(8) Licenses shall be granted as a matter of right
 23 unless grounds for denial or cancellation exist."

24 Section 9. Section 34-303, R.C.B. 1947, is amended to
 25 read as follows:

1 "34-303. License required. (1) Each year, every person
 2 engaged in the business of conducting or operating a hotel,
 3 motel, tourist home, retirement home or rooming house, shall
 4 procure a license issued by the department. A separate
 5 license is required for each establishment; however, where
 6 more than one of each type of establishment is operated on
 7 the same premises and under the same management, only one
 8 license is required which shall enumerate on the certificate
 9 thereof the types of establishments licensed.

10 (2) Applications for a license shall be made in
 11 writing to the department on such forms and with such
 12 pertinent information as it considers necessary.

13 (3) Each license issued under this chapter is not
 14 valid until countersigned by the local health officer having
 15 jurisdiction in each county in which the business will be
 16 conducted. The department shall refer all licenses to the
 17 local health officer for his signature prior to the issuance
 18 of a license by the department. The initial license and
 19 subsequent renewals are invalid until the validation
 20 signature is affixed. The validation signature may be
 21 affixed only after the local health officer is satisfied
 22 that the establishment has met sanitary conditions required
 23 by rules of the department.

24 (4) Existing licenses shall be renewed as a matter of
 25 right, unless conditions exist which are grounds for a

1 cancellation or denial of a license.

2 (5) If determination is made to deny an initial
3 application for a license, or if a renewal application is
4 denied and a license canceled, the denial or cancellation
5 shall be preceded by written notice of the grounds therefor
6 and the opportunity to request a hearing before the board to
7 show cause why the license should be denied."

8 Section 10. Section 65-4514, R.C.M. 1947, is
9 renumbered 66-1015.1 and is amended to read as follows:

10 "66-1015.1. Cases of communicable disease --
11 reports by practitioners of the healing arts. If a physician
12 or other practitioner of the healing arts examines or treats
13 a person whom he believes has a communicable disease or a
14 disease declared reportable by the department of health and
15 environmental sciences, he shall immediately report the case
16 to the local health officer. The report shall be in the
17 form, and contain information, prescribed by the department
18 of health and environmental sciences."

19 Section 11. Section 65-4110, R.C.M. 1947, is amended
20 to read as follows:

21 "66-4110. Functions, powers, and duties of department.

22 The department shall:

23 (1) ~~study~~ study conditions affecting the citizens of
24 the state by making use of birth, death, and sickness
25 records;

1 (2) ~~make~~ make investigations, disseminate information,
2 and make recommendations for control of diseases and
3 improvement of public health to persons, groups, or the
4 public;

5 (3) ~~at~~ at the request of the governor, administer any
6 federal health program for which responsibilities are
7 delegated to states;

8 (4) ~~inspect~~ inspect and work in conjunction with
9 custodial institutions and Montana university system units
10 periodically as necessary, and at other times on request of
11 the governor;

12 (5) ~~before~~ after each inspection made under subsection
13 (4) of this section, submit a written report on sanitary
14 conditions to the governor and to the director of
15 institutions or executive secretary of the Montana
16 university system and include recommendations for
17 improvement in conditions, if necessary;

18 (6) ~~advise~~ advise state agencies on location,
19 drainage, water supply, disposal of excreta, heating,
20 plumbing, sewer systems, and ventilation of public
21 buildings;

22 (7) ~~organize~~ organize laboratory services and provide
23 equipment and personnel for those services;

24 (8) ~~develop~~ develop and administer activities for the
25 protection and improvement of dental health and supervise

dentists employed by the state, local boards of health or schools;

(9) develop develcp and administer a program to protect the health of adults and children;

(10) conest conduct health education programs;

(11) supervise school and local public health activities the performance of their duties;

(12) consult with the superintendent of public instruction on health measures for schools;

(13) develop and administer a program for services to handicapped children including diagnosis, medical, surgical and corrective treatment, and after-care and related services;

(14) supervise local boards of health;

(15) bring actions in court for the enforcement of the health laws and defend actions brought against the board or department; and

(16) evaluate programs and services provided by local health departments;

(17) accept and expend federal funds available for public health services; and

(18) have the power to use personnel of local departments of health to assist in the administration of laws relating to public health. If such personnel are utilized for these purposes, however, local health

departments shall be reimbursed for the costs involved out of moneys from any sources available to the department;

Section 12. Section 69-5604, R.C.M. 1947, is amended to read as follows:

"69-5604. Application for license -- form and contents -- license fee -- local health officer validation -- duration of license. (1) Application for a license is made to the department on forms, and containing information, required by the department.

(2) Each application shall be accompanied by a fee of twenty dollars. license expires on December 31 of the year in which they are issued. Fees collected by the department shall be deposited in the state general fund.

(3) Each license issued under this chapter is not valid until countersigned by the local health officer having jurisdiction in each county in which the business will be conducted. The department shall refer all licenses to the local health officer for his signature prior to the issuance of a license by the department. The initial license and subsequent renewals are invalid until the validation signature is affixed. The validation signature may be affixed only after the local health officer is satisfied that the establishment has met sanitary conditions required by rules of the department.

(4) license expires on December 31 of the year in

1 which they are issued.
2 40451 Before June 30 of each year, the department
3 shall pay to a local board of health department as
4 established under section 60-450, 60-450a, or 60-450b
5 [sections 6, 6a and 7 of this act] an amount for any
6 general fund appropriated to the department which is for
7 the purpose of inspecting establishments licensed under this
8 act; provided, however, that there is a ~~fund~~ ~~board~~
9 ~~board of health~~ ~~and~~ the local board of health
10 department, local health officers, and sanitarians assist in
11 the enforcement of the provisions of this chapter and the
12 rules adopted under it.

13 40452 Before June 1 of each year, the local board of
14 health department shall submit to the department a list of
15 the establishments in each jurisdiction which are licensed
16 under this section. The funds received by the local board
17 of health department shall be deposited with the appropriate
18 local fiscal authority jointly, treasury and shall be in
19 addition to the funds appropriated under section 60-450
20 [section 7 of this act]."

21 Section 13. Section 65-57C, P.C.M. 1947, is amended
22 to read as follows:

23 "69-5701. Violations of public health laws or rules of
24 board or department. 1) If a person refuses or neglects to
25 comply with a written order of a state or local health

1 officers or other local public health personnel acting in
2 the performance of their duties within a responsible time
3 specified in the order, the state or local health officer
4 may:

5 1a) obtain a court order enforcing compliance with the
6 order; or
7 1b) if the conditions indicate an abatement is not in
8 public health, take whatever action is necessary to
9 alleviate the conditions which prompted the order.

10 12) The state or local health officer may initiate an
11 action to recover any expenses incurred from the person who
12 refused or neglected to comply with the order. The action to
13 recover expenses shall be brought in the name of the county
14 involved.

15 13) No person may remove or deface any placard or
16 notice posted by the local health officer or other local
17 public health personnel acting in the performance of their
18 duties or violate a quarantining regulation.

19 14) Anyone who knowingly violates a public health law
20 or rule adopted by the board of health and environmental
21 sciences, or the department of health and environmental
22 sciences, or a local health department for which no
23 penalty is specified, is guilty of a misdemeanor.

24 15) Each day of violation constitutes a separate
25 offense. Fines shall be paid to the county treasurer of the

1 COMPLY IN WHICH THE VIOLATION OCCURS."

2 Section 14. Section 75-5934, R.C.M. 1947, is amended

3 to read as follows:

4 "75-5934. Other powers and duties. The trustees of any

5 district shall have the power and it shall be its duty:

6 (1) to employ and dismiss administrative personnel,

7 clerks, secretaries, teacher aides, custodians, maintenance

8 personnel, school bus drivers, food service personnel,

9 ~~messes~~, and any other personnel deemed necessary to carry

10 out the various services of the district;

11 (2) to make such reports from time to time as the

12 county superintendent, superintendent of public instruction

13 and board of education may require;

14 (3) to retain, when deemed advisable, a physician ~~as~~

15 ~~registered nurse~~ to inspect the ~~sanitary conditions of the~~

16 ~~school~~ ~~as~~ the general health conditions of each pupil, and

17 upon request make available to any parent or guardian any

18 medical reports or health records maintained by the district

19 pertaining to his child;

20 ~~(4) to obtain the services of a registered~~

21 ~~professional nurse to provide a program of school nursing~~

22 ~~services. If school nursing services are provided by the~~

23 ~~local health department, this provision does not apply.~~

24 ~~(4)(5) for each member of the trustees, to visit each~~

25 school of the district not less than once each school fiscal

1 year to examine its management, conditions and needs; and

2 ~~(4)(6) procure and display outside daily in suitable~~

3 weather at each school of the district an American flag

4 which shall be not less than ~~four~~ ~~(4)~~ feet by ~~six~~ ~~(6)~~ feet."

5 Section 15. There is a new R.C.M. section numbered

6 69-4003.1 that reads as follows:

7 69-4003.1. Dead animals — unlawful disposition. (1)

8 It is unlawful to:

9 (a) Place all or any part of a dead animal in any

10 lake, river, creek, pond, reservoir, road, street, alley,

11 lot, or field;

12 (b) Place all or any part of a dead animal within 1

13 mile of the residence of any person unless the dead animal

14 is burned or buried at least 2 feet underground; or

15 (c) Being the owner, permit all or any part of a dead

16 animal to remain in the places specified in subsections

17 (1) (a) and (1) (b) of this section except as provided in

18 subsection (1) (b) of this section.

19 (2) Every 24 hours that a dead animal or part of a

20 dead animal remains in the places specified in subsections

21 (1) (a) and (1) (b) of this section except as provided in

22 subsection (1) (b) of this section is a separate violation.

23 Section 16. Repealer. Section 69-4118, R.C.M. 1947,

24 and chapter 45 of title 69, R.C.M. 1947, in its entirety,

25 are repealed.

-End-

45th Legislature

LC 1537/01

INTRODUCED BY H. BILL NO. 503
South

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES FOR DISTRIBUTION TO LOCAL HEALTH DEPARTMENTS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Appropriation. The following money is appropriated for the biennium ending June 30, 1979:

For Fiscal Year Ending	For Fiscal Year Ending
6/30/78	5/30/79

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES	
Aid For Local Health Departments	
From the General Fund	\$746,000
Section 2. Allocation. The department of health and environmental sciences shall allocate the money for each fiscal year to each local health department in amounts equaling \$1 per person in the jurisdiction of that local health department, based on the official 1975 population estimate.	

-End-

HB 503

INTRODUCED BILL

•

45th Legislature

LC 1538/01

H BILL NO. 505

INTRODUCED BY

Smith

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO
THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES FOR THE
STATE LABORATORY DIVISION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Appropriation. The following money is
appropriated for the biennium ending June 30, 1979:

For Fiscal	For Fiscal
Year Ending	Year Ending
6/30/78	6/30/79
DEPARTMENT OF HEALTH AND	
ENVIRONMENTAL SCIENCES	
Laboratory Division	
From the General Fund	\$140,000
Section 2. Allocation. This act is effective only in	\$140,000
the event of passage and approval of House Bill 122.	

-End-

HB 505

INTRODUCED BILL

45th Legislature

LC 1536/01

House BILL NO. *671*
Smith

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A PROGRAM
 OF STATE FINANCIAL AID FOR LOCAL HEALTH DEPARTMENTS IN
 MONTANA."

IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Aid to local health departments. Each
 fiscal year the department of health and environmental
 sciences shall distribute to each local health department in
 Montana an amount of money equal to \$1 per person in the
 jurisdiction of that local health department, based on the
 most recent population estimate provided by the department
 of community affairs.

Section 2. Department to prepare budget. The
 department of health and environmental sciences shall
 prepare a biennial budget for this program of state
 financial aid for local health departments.

-End-

HB 671

INTRODUCED BILL

APPENDIX B

FINANCE REPORTS

- No. 1* Financial Statement for Montana Counties, Fiscal Years 1973-1974
- No. 2* Financial Statement for Montana Towns, Fiscal Year 1974
- No. 3* Financial Statement for Montana Cities, Fiscal Year 1974
- No. 4 Preliminary Report on Economic Capacity, Fiscal Capacity, Tax Effort, Fiscal Needs, and Nominal and Actual Tax Rates of Cities, Towns and Counties
- No. 5 Montana Property Taxes: A Compendium of Statutes
- No. 6 Local Government Profile
- No. 7 Local Government Finance in Montana
- No. 8 Summary of Revenue Sources
- No. 9 Alternative Revenue Sources for Montana Local Governments

MISCELLANEOUS PUBLICATIONS

A Summary of Information on Montana from the 1972 Census of Governments.

Local Government Finance Statement, Fiscal Year 1974.

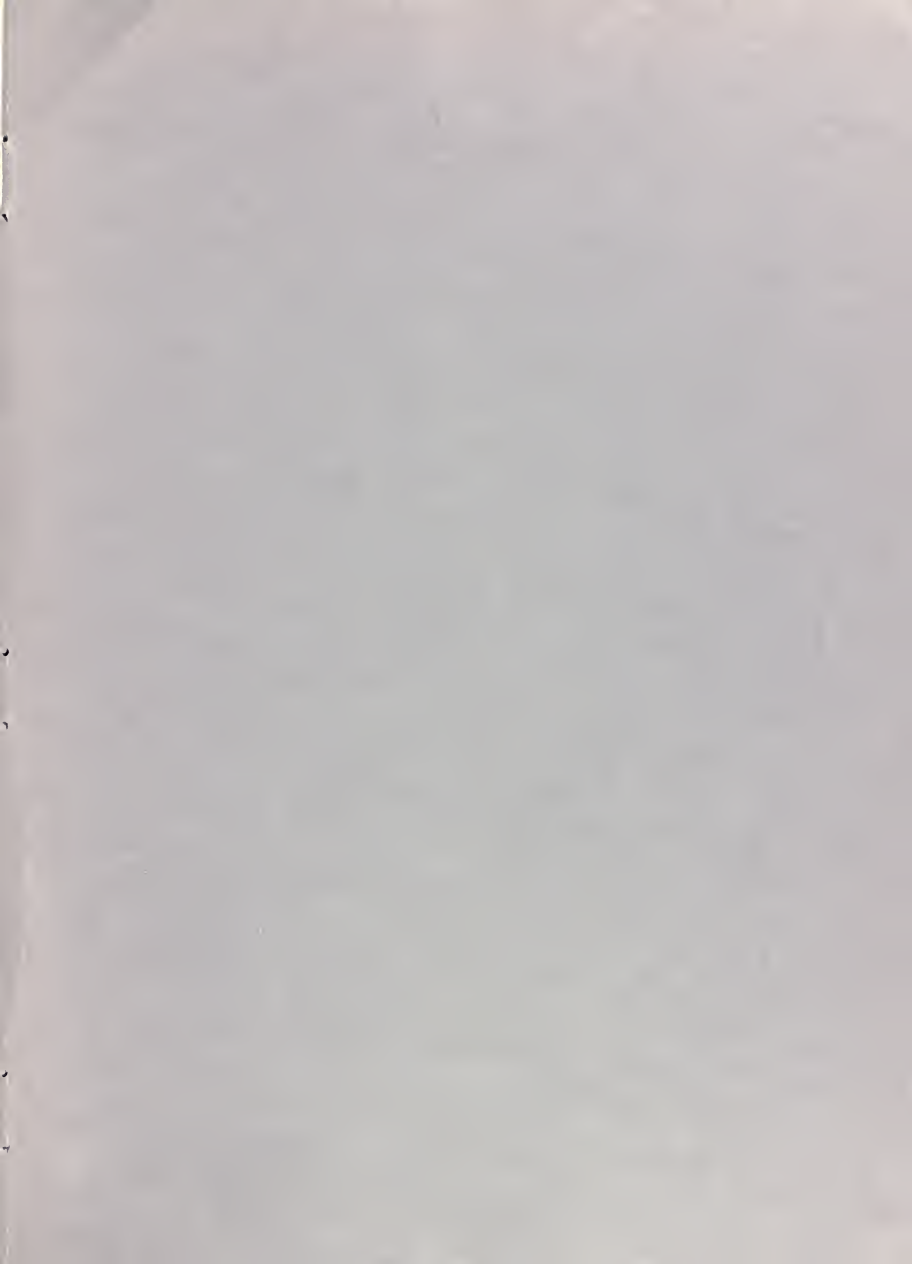
Financial Statement for Cities, Towns and Counties, Fiscal Year 1974. (Summary Report)

State Aid to Local Government. Reprinted from: Federal State-Local Finances: Significant Features of Fiscal Federalism, Advisory Commission on Inter-Governmental Relations, Washington, D.C., 1974.

*Housed in the Montana State Historical Society Archives.

LOCAL GOVERNMENT REVIEW BULLETINS

- Vol. 3, No. 6 LOCAL GOVERNMENT REVIEW BULLETIN
Summary of Proposed Local Government
Code and Financial Recommendations,
December, 1976, 25 pages, by David
Wanzenried and Stephen Turkiewicz.
- Vol. 4, No. 3 LOCAL GOVERNMENT REVIEW BULLETIN
State Assumption of Welfare: Why is
it Needed?, April, 1977, 85 pages, by
Opal Winebrenner.
- Vol. 4, No. 4 LOCAL GOVERNMENT REVIEW BULLETIN
State Assumption of Costs for District
Court Operations, April, 1977, 51 pages,
by Lee Heiman, Jr.
- Vol. 4, No. 6 LOCAL GOVERNMENT REVIEW BULLETIN
Financial Recommendations of the State
Commission on Local Government, May, 1977,
205 pages, by Stephen Turkiewicz.
- Vol. 4, No. 7 LOCAL GOVERNMENT REVIEW BULLETIN
Analysis of the Proposed Montana Local
Government Code, May, 1977, by David
Wanzenried.
- Vol. 4, No. 8 LOCAL GOVERNMENT REVIEW BULLETIN
Final Report on Work of the Montana State
Commission on Local Government, 1974-1977,
June, 1977, by Dale A. Harris.



STATE COMMISSION
ON LOCAL GOVERNMENT

State Capitol

Helena, Montana 59601

**SPECIAL
APOLARITE**